IN THE CIRCUIT COURT OF THE STATE OF OREGON

FOR THE COUNTY OF MULTNOMAH

JULIE CHRISTOFFERSON TITCHBOURNE, Plaintiff, vs. CHURCH OF SCIENTOLOGY, MISSION OF DAVIS, a non-profit California corporation, doing business in Oregon; CHURCH OF SCIENTOLOGY OF CALIFORNIA, a California corporation, doing business in Oregon; and L. RON HUBBARD, Defendants.	)	No. A7704-05184

EXCERPT OF PROCEEDINGS

Volume X
Pages 4836 to 4975 and 5040 to 5108
Testimony of Gerald D. Armstrong

April 12 and 15, 1985

BILL ELLIS & ASSOCIATES
Court Reporters
1001 S.W. Fifth Ave.
Portland, Oregon

(Court reconvened April 2, 1985, beginning at the hour of 9:38 a.m.)

THE COURT: Are you ready to proceed?

MR. COOLEY: Yes, Your Honor.

THE COURT: I don't see Mr. Peterson to give me a report.

MR. COOLEY: He was here. He must have just stepped out.

THE COURT: I want to ask him for a status report.

How are we doing on our shipment, Mr. Peterson?

MR. PETERSON: On schedule. It will be here before noon. Probably just after the break.

THE COURT: When you get them, can you get me the waybill, too, so I can verify they were shipped from Toronto?

MR. PETERSON: I will see if I can do that.

THE COURT: Or whatever the airlines do. I don't know what airlines you are using.

MR. PETERSON: I will have to check whether they were mailed, courier or what manner was used to get them here.

THE COURT: Yes. I would appreciate that, also.

MR. PETERSON: Okay.

(Following proceedings held in the presence of the jury.)

THE COURT: Good morning.

Mr. Cooley.

MR. COOLEY: Thank you, Your Honor.

BY MR. COOLEY: (Continuing)

Q. Mr. Armstrong, we have had marked as an exhibit in this case a letter that you wrote on September 1, 1981, in which you listed misrepresentations that have been made, Exhibit 187. You wrote other such documents, did you not, sir?

A. Yes.

MR. COOLEY: Your Honor, does the record show 875 has been received?

THE CLERK: I have it as received.

THE COURT: I show it as being received.

MR. COOLEY: All right. Thank you, Your Honor.

MR. COOLEY: Would you mark this.

(Defendants' Exhibit 891 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. I show you what has been marked as Exhibit 891, sir, and ask you if that is an evaluation or analysis that you did

of a biographical sketch?

A. Yes.

Q. Could you tell us to whom that is addressed, Dear Sue. Sue who?

A. That's Sue Anderson. She was then the LRH Personal Public Relations Officer International.

MR. COOLEY: I offer it, Your Honor.

MR. WADE: No objection, Your Honor.

THE COURT: All right. 891 is received.

(Defendants' Exhibit 891 was admitted into evidence.)

BY MR. COOLEY: (Continuing)

Q. Do you recall what biographical sketch it was that you were commenting on here?

A. No. It's a pack -- pack of materials which was put together by the public relations -- L. Ron Hubbard's Public Relations Bureau. I don't have it here, so I really can't even tell you everything that's in it at this point other than the fact that this refers to it. It is not just a biographical sketch as some of the biographical sketches that we have seen. This is a pack of sketches and information. I don't have it.

(Defendants' Exhibit 892 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. I show you what's been marked as Exhibit 892 for identification and I ask you whether this is a packet which contains your status report on the biography project as of November 14, 1981?

A. No.

Q. Would you look at page -- the third page, sir.

A. That's November 10.

Q. I'm sorry. November 10. Is that a report of November 10 that you sent to someone named Donna?

A. Yes.

Q. Who was Donna?

A. The post is RTL which means R Traffic Liaison. R is L. Ron Hubbard. She handled his communications at that time. The communications went to her, Miscavage, to Hubbard. She was one part of the system. She was a cutout at some point. RTL is L. Ron Hubbard's Traffic Liaison.

Q. Does this indicate someone named Lowie? Is that the correct pronunciation? L-O-W-I-E, Lowie?

A. Do you have it?

Q. Second page: Lowie asked Donna for report and Donna asked you for a report and when you prepared it, it got passed back up those lines?

A. I appear to have received a telex.

Q. From whom?

A. It appears to be, from what I said, from Donna.

Q. Okay.
A. Lowie is Lois Reisdorf.
Q. And she apparently made the request of Donna to obtain a full report; correct?
A. It appears from this, Gayle -- Gayle was then the commanding officer of CMO .
Q. What is Gayle's last name?
A. It was then Irwin. She appeared -- I never received these things. You are producing them now and I have never seen them, so I can't authenticate them. But I did write this upon receipt of a telex which appears to be also dated 10 November '81.
Q. All right. So the thing that you recognize is -- you do not recognize the first two pages?
A. Correct.
Q. But everything after that was prepared by you; is that correct?
A. The final document, 30 October '81, was not prepared by me; however, I have seen it. The two Project Orders which follow my dispatch, which were originally attached, I have seen.
Q. All right.
MR. COOLEY: I offer this except for the first two pages which the witness has never seen before, Your Honor.

MR. WADE: Your Honor, I suggest that what we do is mark these as different exhibits. Offer them that way instead of the packet. Take the pages out.

MR. COOLEY: Do you want the first two pages to go in? I'll be happy to do it.

THE COURT: I don't understand, Mr. Wade.

MR. WADE: Perhaps I could ask a question in aid of an objection. Maybe I misunderstood.

VOIR DIRE EXAMINATION

BY MR. WADE:

Q. Mr. Armstrong, what parts of this can you not identify?

A. The first two pages.

MR. WADE: We have no objection to the second page coming in, Your Honor. We would object to the first page, lack of authentication.

MR. COOLEY: Perhaps what we might do, Your Honor, take off the first page of the exhibit and have the sticker appear on the second page.

THE COURT: That's fine.

Then 892, without the first page, with a sticker on the second page. This will be received.

(Defendants' Exhibit 892 was admitted into evidence.)

THE WITNESS: This is part -- I mean the

first two pages --

BY MR. COOLEY: (Continuing)

Q. Mr. Wade doesn't object to the second page. He objects to the first page.

A. All right.

Q. Now, in this exhibit, Lowie says to Donna that she wants a full report on what this biography Omar is doing and what is happening with it. She says, "Gayle is concerned about Omar doing this without R's personal okay." R is L. Ron Hubbard, is it not?

A. Yes.

Q. Did Omar Garrison have the personal okay of L. Ron Hubbard to do this biography, to your knowledge?

A. Well, in 1977 he had the okay. The biography contract was negotiated by L. Ron Hubbard's attorney, a man by the name of Alan Wortheimer, in Los Angeles. He was represented in those negotiations by Laurel Sullivan, Laurel Sullivan who was his personal representative. Hubbard knew about my involvement. And the first dispatch, which has just been taken away, mentions the fact that it all began before R went off the lines. R being L. Ron Hubbard. Off the lines means before he went into deep hiding. So I would say he had Hubbard's okay.

Q. Those are the facts upon which you base that conclusion?

A. Yeah. I mean, I could not have done what I did. I mean he could not have done the -- done it either unless Hubbard's okay was there.

Q. Did you see a contract between Garrison and Hubbard?

A. No. There was an agreement between Hubbard and -- Garrison had a contract with Danish Publishing Company which happens to be run by Hubbard. And the publishing company had a series of agreements with Hubbard, so through that bunch of agreements, there was an agreement with Garrison and Hubbard. Hubbard was supposed to have the final okay, the final side check on the manuscript. It ran into a problem because no one could admit to a line to Hubbard, even though it's -- again, mentioned in that report, the existence of one. But there was going to be a difficulty in Garrison finally getting the biography checked by Hubbard, because no one could admit they were in communication with him.

Q. Was this report that you wrote under date of November 10, 1981, the first such comprehensive status report that you had prepared for transmission up the lines?

A. No.

Q. How many of those did you do? Bearing in mind I'm excluding the things that have already been marked as exhibits. Perhaps I ought to show them to you to refresh your recollection.

You did this report or this communication, which has

been marked as Exhibit 187 dated September 1st. You remember that?

A. This is not on the biography project.

Q. All right. That deals with misrepresentations in the biographical material, though, does it not?

A. Correct.

Q. This is Exhibit 875 which is an earlier communication dated June 18, 1971. Does that deal with the biography project?

A. Not exactly. It deals with the misrepresentations that I had found.

Q. And then there is this letter of 18 October 1981. And that deals with the pack that was being put together; correct?

A. Correct.

Q. All right. Now, this, without any reference to these, this exhibit that you have in your hands, which is report November 10, 1981, how many of them did you write in that form over the period that you were handling this project?

A. Not exactly in this form, obviously, but reports regarding the biography project, and pretty extensive reports, probably another four.

Q. You see after the first four pages, there's a document entitled "LRH Biography Project" where you state the purpose: "To measure targets, the information." And then

there's a check list of items. Do you see that? It goes on for --

A. Do you mean the various targets listed out?

Q. Yes.

A. All right.

Q. It goes on for eight pages.

A. Okay.

Q. Now, there is one. What is the date of that first one, LRH biography project?

A. I can't say for sure. Someone has written in "May 1980" and it predates Omar Garrison -- my contacting Omar Garrison, so it's prior to September 1980.

Q. There's another one dated August 17, 1980. Do you see that? But it doesn't appear to be filled out by anyone. None of the boxes are checked.

A. Now, I believe the first one may never have been issued as a -- an actual organization issue. I don't even know if it's -- if it was ever proposed. It would have gone to Laurel at a minimum. The other one was an approved issue. But in any case, yes, nothing is checked.

Q. Now, this report of November 10, 1981 is written just about a month and two days before you departed Scientology; isn't that right?

A. A month and two days.

Q. Yes, sir. And could you point out to me the portion

of this report in which you are dealing with the so-called misrepresentations in Mr. Hubbard's previous biographical material. And maybe it would help you if I invite your attention to Page 3.

A. Page 3? You mean where it begins "LRH's reputation is being hit hard because of the false data which has been put out by the Church about him over the past three decades. The enemy is DA-ing, Dead Agenting, our false data and pointing LRH as a charlatan."

Q. Then over on Page 2 in the fourth paragraph, is that also an allusion to some of the problems of his prior biographical sketches?

A. Yes.

Q. Would you read that for the jury.

A. "Additionally the depth of research has shifted quite a bit because of the attacks on R personally and the considerable research done by the enemy in the past couple of years. As you probably know, a rather detailed debunking of the earlier PR biographical sketches was presented to the CW City Counsel." CW is Clearwater in Florida. "Also Nibs is intending to come out with his own biography of LRH. A disaffected Scientologist has been doing in-depth research on LRH for over two years. All of this has thrown a definite curve in the project."

Q. Now, you were sending this to your immediate superior

-- rather to Sue, who was RTO CMO International?

A. No. Sue was the first PRO International. This to Donna, Donna Robinson.

Q. Okay. Had you ever itemized for Donna Robinson the things you claimed to be misrepresentations in LRH's previous biographies?

A. I don't know if they went to her or not. There were a number of things which went out to CMO, but I don't know. She may have seen them. I had been fairly vocal on the subject inside the organization.

Q. Is there any reason why you did not itemize those misrepresentations in this communication?

A. I mean other than the fact she didn't ask for an itemization, she asked -- her telex read: "Can you please rush me a report on the biography project?" And as I've explained, those -- although obviously the biography project was going to encompass the various biographical representations, misrepresentations and lies and so on, that was a separate function which I had assumed in the organization of trying to correct these things.

She goes on: "Include one copy of any program.

"(2) PT" -- that's present time status -- "what Vaughn is doing and what this upcoming OVG" -- that's Omar V. Garrison -- "OVG interview is for."

"(4) What the plan is for who would do a side check

when the biog is done." Accuracy side check.

"(5) ETA of manuscript." That's estimated time of arrival.

So she didn't ask for those things, and if she had asked, I certainly would have provided them.

Q. You don't think the scope of that request invited you to bring to her attention what you say you were bringing to everybody else's attention, namely some forty-two or -- more than forty of claimed misrepresentations in LRH's previous biographical sketches?

A. Again, if she had asked for them, I would have done it. I answered her telex and I think I answered it as well as I could. I put -- you know, I certainly let her know that there -- I mean I did not withhold the fact that LRH is being hit hard because of the false data which has been put out by the Church about him over the past three decades.

Q. Exactly. Did you for any reason fail to attach a copy of the specifics that you were referring to?

A. Again, she didn't ask for it. And certainly if she would, I would have passed it on. I had no reason why not to. I was at that time in my own way rather desperately trying to correct this situation. It was an extremely tense time for me and I was doing what I could. She didn't ask, but I certainly would have told her.

Q. On these other itemized lists, people had asked for

these, had they, the ones you sent out previously?

A. My recollection is that in most cases they had or someone had said something about a particular publication to me or written something to me, and I had done what they had requested. Or I think some of the them may have gone to Barbara, who for a period of time was my direct senior and had some -- she was the person who was in charge of -- I think it was public affairs, L. Ron Hubbard Public's Affairs Property Director. She was in charge of getting his books published, reprinted in various forms, taking the material which had been put out in one form, for example, in policy letters or in bulletins, and making it up into packs or other things to make income for L. Ron Hubbard. So she had a definite interest in it, and I originated at least one to her.

I wrote to the people who were putting out the -- what's called the Research and Discovery Series, these blue books over there, because they contained a biographical -- information on Hubbard which was extremely inaccurate. And so I communicated whenever I could to the people that I thought ought to receive the communication.

Q. Did you not think that at these levels -- these were the highest levels you had been dealing with on a reporting basis, weren't they, in your communication of November 10?

A. I suppose so. I mean this thing possibly could have gone to L. Ron Hubbard, and perhaps he responded in some kind.

But I also communicated to the CO CMO, Gayle Irwin, and there is a series of communications back and forth with her. Gayle expressed some concern about what was being given to Omar, because she had heard that I had in fact uncovered some information which showed that Hubbard had lied. So she was concerned that that information not be given to Omar.

My feeling was Omar was a big boy and I can't deny him whatever information I can find. The only way he can ever do any kind of biography at all, so that Garrison doesn't end up being a fool, is to give him whatever facts I knew. And he can write those facts as he sees fit. Hubbard had the ultimate side check of this thing if the communication could be gotten to him.

Q. Do you perceive that Defendants' Exhibit No. 892, which is your communication of November 10, 1981, or which includes that communication, is a somewhat softer tone than your other communications on this subject matter?

A. Well, again, you would have to show me my other communications on this subject matter because this is -- this is different from the dispatches which you showed me. They are on a different subject matter.

Omar Garrison was not writing a biographical sketch; he was not revomiting the same pukes of mass the organization had been spewing over the last thirty years. He was writing an authentic, documented biography, and they are two different

subjects. The dispatches which you have, although they connect, are two different things.

Q. They connect in that, as I understand you, it was your goal to get -- eliminate from biography or biographical sketch of L. Ron Hubbard everything that you considered to be a misrepresentation; isn't that a fair statement of what your stated position is?

A. Well, certainly I wanted all of the -- I mean it was not my only goal obviously. I wanted the biography written. And I hoped that within the Scientology literature, itself, that they would correct those things. I felt bad. We had been pulling the wool over the public's eyes for as long as I was in the organization.

I came to realize throughout this period, and up to the end, that I had been conned into lying to virtually everyone. I lied to my family, I lied to my friends, I lied to fellow Scientologists, and we all lied to one another. The whole basis of this thing was L. Ron Hubbard. The whole of Scientology, that whole corporate thing is created around the lies of L. Ron Hubbard.

Q. Sir, did you want to clean up the biographical material, whether it was written by Omar Garrison or whether it was written as a PR matter or on a biographical sketch or any other publication?

A. Yes, I did.

Q. All right. And is that the reason that you pointed out in one letter some twenty-odd items and in another letter some forty-plus items to people in the organization?

A. Yes.

Q. And you know, however, when you are giving a status report at the highest levels, you adopt, do you not, a somewhat different tone?

A. It's just not true, Mr. Cooley. You are not in Scientology. You don't know the communication lines. You don't know the people involved. You don't know how to write a Scientology report. You don't know that you respond to specific questions. You know that you don't, as they say, portmanteau a response; I certainly could have. If this had elicited from me another response, that was great.

Within two weeks of this dispatch, something like that, I don't know, end of November, I spoke to Norman Starkey. Norman Starkey was above her. I laid out to Norman Starkey in my own office what I had seen. For that response, I was ordered out to Gilman Hot Springs for a sec check, on a covert line from Norman Starkey. But I tried to communicate whatever I could. This report is not out of line at all.

And I did not -- I mean I have said in here that -- you know, if she wanted to pull the string on it, as they say, the false data which has been put out by the Church about him over the past three decades. I never said to her that in fact

L. Ron Hubbard is the source of all this stuff, because that was something you just could not say. The organization takes the dive for him; that's the mentality inside. It was my mentality; I would have died for the guy.

Q. That was your meantality a month and two days before you blew the organization?

A. Yes, it was. I still was trying in my own mind -- you have understand, that's a mind which had been seriously tampered with -- I was trying to excuse the actions of this man. Even when I left the organization I was excusing him in my mind. It took a long time; it took a long time to realize that the sole reason for this organization is to cover up the lies of a man who perceived himself as a complete failure and who -- whose -- his way around the admission of his knowledge of his own failure was to create a myth, create the big lie, and use the might of that organization to destroy anyone who sought to uncover what the truth was.

Q. Am I to understand when you wrote those previous communications, enumerating all of the alleged misrepresentations, that you didn't think they originated from L. Ron Hubbard?

A. No. That's not true, Mr. Cooley. In fact, in some of them I say that. To Norman Starkey, I said --

Q. I'm talking about the prior communications to November 10, 1981. As I undStarkey communication was after

that.

A. I think that if I had them here in hand I could point out exactly what I said at the time. There definitely is a point of time when I am excusing his actions.

Q. I'll give you copies of Exhibits No. 187, 875, and 891. These are the prior communications I'm talking about that deal with the issue of alleged misrepresentations in the LRH biographical material. Now, in some of those communications you use rather harsh language, do you not, sir?

A. For example?

Q. Well --

A. I think I use much harsher language now.

Q. I mean you use much harsher language than appears anywhere in this communication of November 10, 1981.

A. November 10, 1981, dispatch --

MR. WADE: Before we get into that, I would -- we would object on the grounds that question has been asked before and it has been answered, I think at least two times.

THE COURT: Yes. I agree with you Mr. Wade. Sustained.

BY MR. COOLEY: (Continuing)

Q. You needed to make some comparisons for some reason, so I have given you those documents.

A. And I say that the November 10, 1981, is -- you know,

given my state of mind at the time, pretty accurate. In fact, I was to some degree taking my life in my hands when I wrote any of this stuff; and, definitely, even with the 10 November 1981 letter. I did things that you dared not do inside that organization.

Q. On the previous communications, sir, with the listed items, were those communications actually sent, or do they constitute CSW that never got passed up the lines?

A. Each one was sent.

Q. Now, going back to the communication of November 10, 1981, had you already met with L. Ron Hubbard, Jr., at that point; that is Nibs?

A. I don't know if I had or not. You would have the date of -- actually, I think that's within my B1 file. If it's here, we can check the date on when it was. I don't know if I had or not.

Q. Why don't you look at Page 4 of your report.

A. Okay.

Q. Second to the last paragraph: "I just got back from seeing Nibs."

A. Okay.

Q. How long before this report had you visited Nibs?

A. Wow, it was around this date, so it must be real close. If I say I just got back --

Q. That's the visit you made in Las Vegas -- I mean

Nevada?

A. Carson City.

Q. Carson City. Now, did Omar Garrison go with you?

A. Yes.

Q. Anyone else?

A. My wife and Omar Garrison's wife. But the only people who spoke to Nibs were Omar and I.

Q. And were you aware of the fact that back in 1967, Nibs had made allegations against his father and then recanted publicly?

A. Well, I had owe before I went to see Nibs, I had been given access to his B1 file, or what was purported to be his B1 file. It was about that much (indicating) material collected on him by the organization, and that -- probably three linear feet of documents. And I knew about this, I knew about this incident. I knew about a number of things. I had packs of his correspondence which I had provide to do Omar Garrison. I knew a lot about Nibs prior to that. I knew that the organization had a mole, someone close to Nibs at that time. Not that little creature that I was talking to in the video, but an actual intelligence operative who had gotten close to Nibs. I knew that at the time. I knew quite a bit about him before I went there.

Q. And did you know that in 1972, he had he gone on television and again recanted slanderous statements he had

made about his father?

A. That's your representation, Mr. Cooley. I don't have the specifics about that.

Q. There was nothing about that that you saw? Well, then, let me ask you this. When you went to see him, were you going to interview him on the basis of documents that you had gotten in the file or to corroborate matters?

A. Well, I was not going to interview him, although I wanted to meet the guy. I went with Omar Garrison and Omar is considerably more talkative thanI am and he is writing the book. So Omar had his questions he wanted to ask. But obviously why we went there is because this guy is L. Ron Hubbard's oldest son. There is a lot of -- how can you separate out the -- this eldest son and say he doesn't exist if you are writing some kind of biography of the father? Obviously he plays a part in it.

Q. Did you tape record the interview or did Mr. Garrison tape record the interview?

A. I believe he did. But -- I think, in fact, that either both did or both didn't. Each one had a tape recorder and I don't know if they ended up both taping it or both not. In any case --

Q. Did you tape it?

A. No, I didn't.

Q. Did you take notes?

A. No.

Q. Did you put a memorandum in the files of Scientology about what the meeting disclosed?

A. I'm ashamed to say that I did. I think from that, you can see that I was still a devoted Sea Org member.

In any case, we went there because he was Hubbard's son and not because he represented anything to me at that time, other than that fact he was, in fact, still the enemy. I went there and represented myself as Garrison's employee, working for his publishing company. Because Nibs said he wouldn't talk to a Scientologist. I even lied to Nibs at the time. I wasn't particularly friendly to Nibs. I walked away thinking that here's a real tragic case. You know, he's just as human as I am and he has been attacked by his father and attacked by this organization without mercy for -- at that time, twenty-some-odd years.

Q. That was your state of mind when you walked away from that interview?

A. Well, I was certainly affected by it. Again, I say, I dutifully wrote a report on what he was up to. You know, I already had -- I had received what we called in the project, the four chapters. Nibs had written four chapters of rather scintilating prose and a great deal of it was about his father. It was about things in Nibs' life, early Scientology stuff, the connection to black magic, Hubbard's connection to

black magic and that sort of thing. And it -- you know, it was pretty far out stuff. But I had received this just prior to going to see him. So Nibs did, in fact, not talk very much to Garrison and myself. He was reticent and he said he wasn't giving any biographical information, because he was doing his own book. So we probably spent an hour there and, you know, talked about a lot of things but didn't get down to any real biographical information. But it was apparent to me that the guy was not incredibly evil as the organization painted him. And in fact later on I commented to Norman Starkey about that very fact, that we, the organization, were creating that enemy. We made the guy nuts.

Q. Is that what you put in your memo?

A. No. Probably the day I got back, I put in the memo and I think I sent it in to the Intelligance Bureau at that time, the people who had the mole in close to Nibs. And I just put down factual information, what he said. He was still planning to write the book. He gave -- he had actually given us the card of his attorney. He wasn't making a secret of the thing. Nibs is a somewhat outrageous character. And I provided that to the organization. That was Wilke Cheong, C-H-E-O-N-G.

Q. When you and Garrison went to Nibs, you didn't expect to get any good information, did you? You didn't expect to hear anything favorable, did you?

A. Well, I didn't really have any expectations. I knew that Nibs had continued to write to his father or he thought he was writing to his father. In fact, he thought he was getting answers back from his father. That to me was a tragedy, because Nibs was being conned. There were other people in the organization who were writing back as if they were his father and his father never even looked at the letters. So I didn't go with any particular expectations of what to get at all. You know, Nibs, like all of us, sort of -- you know, flips between probably hate and love for his father.

Q. Is that what you do, sir?

A. Well, you know, I would like to --

MR. WADE: Your Honor, I would object on the grounds of relevance.

THE COURT: I don't understand how his feelings toward his father has anything to do with it.

MR. COOLEY: I'm talking about L. Ron Hubbard.

THE COURT: Then ask a specific question.

BY MR. COOLEY: (Continuing)

Q. Do you, like Nibs, flip between love and hate for L. Ron Hubbard?

A. You know, I really don't -- don't know. It's a very heavy thing.

Q. In any event, in 1983, you furnished affidavits in support for Nibs' attempt to be appointed guardian or personal representative or administrtor of all of the assets in the estate of L. Ron Hubbard; is that not so?

A. I gave him an affidavit. They took my deposition.

Q. Now, in this report of November 12, 1981, you stated that you have -- you have yet to go -- I'm on page four, sir -- still to be done on my end of things are, one, a trip back east as there is considerable work to be done researching the period LRH lived in D.C. -- that's Washington D.C. -- New York, Pennsylvania, et cetera.

I take it you never were able to make that trip since within thirty-three days you were gone from Scientology?

A. Correct.

Q. And you had not -- other items that you listed that you had to do were make contact with Sarah and her daughter Alexis; and I take it you never got to do that?

A. Correct.

Q. And contact Katie Gillespie; you never were able to do that?

A. Correct.

Q. And background data on Mr. Hubbard's wives -- Mary Sue, Sarah, and Polly?

A. Correct.

Q. You didn't get to do that?

A. Well, we had whatever we had, but subsequently I had no contact with any of them.

Q. On that trip back east, were you ever able to go back and interview people or talk to people during LRH's days in Washington?

A. There was one guy who was interviewed -- maybe even a couple -- from when he was back there.

Q. Who were they?

A. I can't recall right now, but it will come to me.

Q. You, for example, had some evaluation in your own mind of an incident in Boston when LRH was in the Navy that you thought was untrue. Do you remember that?

A. You would have to refresh my memory.

Q. You don't remember it, yourself? Did you take the position that a ship that he was assigned to in Boston never left the dock?

A. You mean the Mist?

Q. Yeah.

A. Well, from what I understood from the documentation --

Q. You mean the documentation you found here?

A. Right. He was removed from command during the -- What do you mean here?

Q. I mean in California -- or Clearwater. The documents you got down there.

A. The documents in Hubbard's Naval Archives.
Q. His own documents?
A. Right.
Q. All right. I'm talking about the Boston incident, now, I'm not talking about any other incidents.
A. That's what I'm talking about. He had vessel. He lost command of the vessel during the vessel's conversion. Now, I know that he ran it through some tests, so that's the extent. He was not onboard as he says. He said he commanded escort vessels for the rest of that year; that is, 1942, in the north Atlantic. And that was not the case. There was a brief period of time when he had command and it was during conversion. He lost command of that vessel.
Q. Did you check with the Naval Archives in Washington, D.C. or any other city to verify your understanding of that situation?
A. No.
Q. Did it ever come to your attention that particular vessel, that there was a commendation issued for the condition of that vessel, and for the manner in which it was commanded by L. Ron Hubbard?
MR. WADE: Objection; irrelevant, Your Honor.
THE COURT: Are we opening up the subject of Naval records?
MR. COOLEY: I'm only talking about this

Boston incident, Your Honor.

THE COURT: You can ask, Mr. Cooley, but if -- if you are opening up the subject of Naval records, that's my question to you.

MR. WADE: In fact, Your Honor, we, at this time, request the production of those records.

MR. COOLEY: I think we ought to discuss that, then, Your Honor.

THE COURT: Okay. Why don't I send you down to the jury room while we do so.

(Jury was excused. Following proceedings held out of the presence of the jury.)

THE COURT: Just for the record, I have been through box number one, that matter marked privileged, attorney confidential.

MR. COOLEY: Can I see what's in that box, Your Honor?

THE COURT: Yes. Actually it's all depositions and affidavits. In box number one. That's all that's in there. Various cases, but that's all that's in there. I'm just starting on box number two.

MR. COOLEY: All right. While you are doing box number two, may I leave the room for a moment?

THE COURT: Yes. I'm going to be at this all day.

MR. COOLEY: All right, Your Honor. I'll be right back.

THE COURT: We can go into chambers, gentlemen.

(Following proceedings held in chambers.)

THE COURT: Okay.

MR. WADE: Yes, Your Honor. The questioning by defense counsel, his questions about specific incidents concerning the naval service of Mr. Hubbard. In addition to that, the inference which it appears defense counsel is attempting to make is that Mr. Armstrong did not have adequate information or documentation to reach the conclusions that he reached. He did not go to naval archives or search out naval records other than those records that were in L. Ron Hubbard's naval archives.

Now, from prior discussions with the witness, we, of course, have been told to read his prior testimony in the Armstrong case that those naval records were quite complete. They have gotten into the area now of whether or not his ability to make the conclusions that he has made is based upon

inadequate material or inadequate research.

THE COURT: I'm not concerned about that, Mr. Wade, because you can simply ask that question and say to him, "Ask him what he referred to and what he researched and he will tell you." Mr. Cooley can say whatever he wants, but you can ask him on redirect what materials he looked at.

MR. WADE: I think if he could go to the naval record --

THE COURT: That's a different point. Mr. Wade, let's not mix apples and oranges. I'm feeling pretty good this morning, so let's not mix apples and oranges. The first question, about the sufficiency of his knowledge, I think you can handle. Now, where do you want to go from there?

MR. WADE: Well, from there, Your Honor, if they are going to get into the area, I think, of naval records, and these questions concern the very records that are sealed by the Court, those records should be produced.

MR. COOLEY: I don't think these are the ones that the Court has. I must say I haven't seen the ones the Court has. Maybe at some point I'd better take a look at them.

THE COURT: You should Mr. Cooley.

MR. COOLEY: I will let this line go for the time being until I have a chance to look at the Court's documents. I really have not looked at them.

MR. WADE: Now, this brings up another interesting point. If the defense counsel look at those records and then taylor questions, I take it so they don't talk about subjects that are in the records --

THE COURT: If we are doing that, then I've got the question coming up whether to release the whole naval records, obviously.

MR. WADE: That's right.

MR. COOLEY: I was talking about a specific incident. As I recall, Mr. Wade several times on direct examination referred to Mr. Armstrong concluding that L. Ron Hubbard sunk a couple of whales. I didn't raise that subject, you may recall. Mr. Wade did; he did it twice.

THE COURT: Mr. Wade isn't accurate, either, as far as that's concerned.

MR. COOLEY: I think I have the accurate story on that, but --

THE COURT: I think I do.

MR. COOLEY: -- and I can understand it. But

I'll give you my version at another time. In any event, I also want to point out, you see, Judge, it's a nice day, I'm in a good humor, I don't get excited if Mr. Wade stands up in front of the jury and moves for production of the naval document. However --

THE COURT: The record can reflect that Mr. Cooley is smiling this morning.

MR. COOLEY: When I offered the tapes, why, Mr. Wade thought that that was the most unconscionable thing he had ever heard anyone do. Yet he stands up and does this. I just point out for the record that --

THE COURT: My purpose is only to say, if we are going into an extensive line of questioning, you are going to bring to the Court the dilemma of the naval records. That's all I'm saying to you gentlemen. And I'll leave it up to you.

MR. COOLEY: I'll drop it for now until I get a chance to look at the records you have under seal, Your Honor. And I'll just go on to something else.

THE COURT: I'm sure your client has copies of them.

MR. COOLEY: I just haven't seen them, any more than I have -- until last weekend, I didn't

look at those Armstrong documents. I felt like a peeping Tom doing it, but I felt I finally had to do it.

THE COURT: Well, you will feel somewhat the same looking at the naval records.

MR. McMURRY: Your Honor, may I be heard on this?

THE COURT: Sure.

MR. McMURRY: In view of the broad scope of cross-examination of the witnesses that we have called, in view of the use of statements made under very adverse circumstances, to say the least, and in view of the allegations that have been made in plaintiff's complaint, we think that it's time for the Court to consider revision of the earlier ruling that was made somewhat in a vacuum. The Court ruled before the first witness was called, strictly as a production matter, not as a matter of relevancy but as a matter of policy, in effect, that there were matters in the naval record that you felt were prejudicial and you felt and stated, I think quite eloquently, the Court's concern about privacy. And while there wasn't a statutory or constitutional basis, you founded your opinion at that time, upon policies of the common law, just decency.

Now, it strikes me that it's time to review. This is a matter that is paramount to the plaintiff's allegations. This is a matter that defendant Hubbard is not even in court --

THE COURT: Are you speaking of the naval records, now?

MR. McMURRY: The naval records, Your Honor.

THE COURT: That's the only area that I left open.

MR. McMURRY: That's right. For us to renew in the event that that matter became important. Now, with or without naval records, there are two pictures in evidence in this puff piece of photo album showing him in officer's uniform, very stern of visage and brave of countenance, and we think that has opened the door.

THE COURT: He wasn't a marine, he was only a naval officer.

MR. McMURRY: He did the best he could. I agree with the Court's observation. But it strikes me that we can't hunt and peck and pick and choose. This is part of plaintiff's case. It strikes me that the Court should give some real consideration -- for example, Mr. Armstrong is in a very unfortunate situation. He knows what happened and

there is going to be doubt and question raised about it and he is powerless to prove it.

THE COURT: No. Mr. Armstrong, we all decided early on, could testify as to what he read.

MR. McMURRY: That's true. But now there are questions that have been asked with respect to, quote, I just want to talk about the Boston incident.

THE COURT: Yes. I'm going to see how far we go with it, Mr. McMurry. You are right.

MR. COOLEY: As you stated, I'm going to old until I see those documents.

MR. McMURRY: There's the anomaly. Defendant will look at documents. That's been the subject of great concern to plaintiff, is defendant --

THE COURT: I am saying I have these documents. I think there is nothing in the world that I can do to prevent Mr. Cooley from going directly to his client to see those documents.

MR. McMURRY: I appreciate that, Your Honor. But is it appropriate for Mr. Cooley, who does not represent the non-appearing Mr. Hubbard, to make those selections? Mr. Hubbard is not here. Mr. Hubbard is unrepresented. Yet we seem to have an ever growing defense of Mr. Hubbard, when the

witness, who is the most knowledgeable man in America about the facts, cannot get the very documentation that supports the truth of this man's period, at least insofar as the Navy is concerned. Somehow it strikes me that the plaintiff is prejudiced, not for any grounds of evidence, not for any grounds of relevance, but just grounds of, okay I'm not going to let it happen. That just seems to me inherently unfair and I think it's time, even --

THE COURT: I will think about it, Mr. McMurry.

MR. McMURRY: Okay.

THE COURT: But my thinking right now is, I think Mr. Armstrong knows full well -- I don't think you are prejudiced is my gut-shot reaction at the present time. By simply giving him to review again, he knows full well what's in those documents. I think he can field any question that's asked of him regarding those documents.

MR. McMURRY: Yes, Your Honor? I think he does very well, as well, but we have now spent four days attacking this man's credibility and bias. It seems to me that to the extent that that has been allowed, and is going to continue to be allowed, that corroboration of records is very important.

THE COURT: We haven't gotten to that stage yet.

MR. McMURRY: And I think we are, Your Honor. This whole tactic with respect to the tapes, I'm speaking now of the Armstrong --

THE COURT: To the extent that I think you need corroboration, I'm going to consider your request Mr. McMurry. That's about as far as I can say on that because I'm not going to rule on anything in a vacuum.

MR. McMURRY: All right. I appreciate your reconsideration.

THE COURT: Anything else we need to talk about?

MR. COOLEY: I don't think so.

THE COURT: Off the record.

(Court recessed at 10:45 and resumed at 11:00 a.m.)

THE COURT: Are we ready to proceed?

MR. COOLEY: Yes, sir.

(Following proceedings held in the presence of the jury.)

THE COURT: Okay. Mr. Cooley.

MR. COOLEY: Thank you.

BY MR. COOLEY: (Continuing)

Q. Returning, Mr. Armstrong, to Exhibit 892 you have in front of you, in your communication of November 10, 1981, to Donna, you state that under item two, which is PT Status. What does that mean, PT?

A. Present time.

Q. It says, "Omar has been writing now for the last several months. He has been fairly pleased with the research done and the materials provided him, but he has recently been somewhat concerned about what he viewed as a lack of importance given the project by the organization. This was brought on by: one, the removal of Laurel Sullivan and David Gayman, both of whom were people directly concerned with the project." Who replaced Laurel Sullivan?

A. Well, in a sense, she was replaced by Sue Anderson. Sue Anderson was in Clearwater. Both ot these people had some -- something to do with the -- they were included either in the contract itself or the negotiations; that is, Laurel and David Gayman. David Gayman was supposed to be a point of side check of the manuscript before it went to Hubbard. David Gayman had been removed when the top of the Guardian's Office had been dismantled by the CMO. So Sue has since replaced Laurel. She had not been involved in the biography project to the same extent that Laurel had, and was not as in close communication with Omar. What I am referring to there is the loss that Omar felt of these people being thrown off their

respective posts or RPFed.

Q. Now, the second item that you identify as having brought on a concern by Mr. Garrison that the lack of importance was given to the project by the organization, is that there had been extreme slows in getting responses to a request for contract revision and a request for do biog expense monies. Garrison wanted his contract revised, did he?

A. Yeah. Garrison -- I think in June, approximately June, something like that, 1981, Garrison wrote and requested some revisions, because there were some real problems which he saw. And there was the money. He was owed, I think, it was twenty-five hundred dollars in expense money at that time. He put in a request for it and we found that the people who ought to know of the existence of this thing, the people with whom you he had the contract, didn't even know about it. And that was simply because the -- it was a sham corporation basically, and that people who he dealt with and who represented themselves to him were no longer there.

And we found that the people with whom he had a contract, that was AOSH PDK Pubs, Denmark Publishing Company, didn't know of the existence of this contract. I had a great deal difficulty getting him the twenty-five hundred dollars. I ended up with a approval from my seniors giving him twenty-five hundred dollars of other money that was money that I had on hand for my work in the biography project, and

handled it in that way, so as to make sure he got his money so he could continue on. And also the request for the changes in the contract --

Q. What changes did he want, sir?

A. He wanted -- I think he wanted an upgrade of the percentage that he was getting. He had been -- he had taken a very small percentage, because he understood he was sharing royalties with Hubbard, and he realized that he was going -- due to the amount of work he was going to not do, as well as represented to him, that was one thing. There was another thing that had to do with getting the book published in the United States. AOSH PDK is a Scientology -- Hubbard's publishing company in Denmark. And to have them be the publisher didn't make any sense when he looked at it, because they don't have the credibility. They don't have the resources. They don't have the communication lines to publish this book in the United States. So he wanted the latitude in the contract so that he could contact a major U.S. publisher and work through them.

Aside from that, the organization would have the correspondence on this. But those are things -- those are the things I recall right now.

And the slows were, couldn't get an answer back from the people who ought to be involved. During this period of time, the people who had been involved -- David Gayman, Laurel

Sullivan, and the legal people involved, Charles Parsell, these people were all removed, and so the people who knew about the project weren't there to resolve his problems.

Q. These removals, they took place in connection with the elimination by the CMO of the top echelon in the Guardian's Office?

A. Well, by Hubbard, yes.

Q. I thought you said the CMO?

A. The CMO, at Hubbard's order.

Q. You saw that order?

A. Well, I was told about it. They could not have done it without Hubbard's order.

Q. All right. What about your expense money, sir? Did you have signatory authority to make expenditures without reference to anyone?

A. Well, I was given an allocatoin. I think it was 1650 a month, something like that.

Q. Sixteen hundred and fifty dollars?

A. Right.

Q. Expense money?

A. Yes.

Q. What was that supposed to cover?

A. Well, it covered a number of projects that I was involved in. It broke down a number of things. There was copying and travel and all the attendant things. Originally

it came from CMO. The whole thing came from SOR. Originally it was --

Q. Sea Org Reserves?

A. Yes. Sea Org Reserves. I'm sorry. And the CMO, in fact, Donna, the same girl, Donna, was then in charge of approving the financial planning monies, and my money was approved through these people. But the money came from Sea Org Reserves.

Q. And among your expenses was there in acquisition of a motor vehicle?

A. Well, the motor vehicle was part of the Nobel Prize project, because Hubbard had -- you know, it was fairly difficult within the Sea Organization to get a vehicle. But because of this blanket okay from Hubbard, we were able to, within the Personal Public Relations Office, to acquire a vehicle. And the vehicle was used for the MCCS. The Mission Corporate Category Sortout, the legal mission handling Hubbard's legal problems. MCCS is Mission Corporate Category Sortout, and it was used in connection with this Nobel Prize Project, and that was the basis on which we were able to get it. Because Hubbard authorized unlimited funds and those unlimited funds were what we used to purchase the vehicle. And also it was used for the biography project and for personal public relations activities in addition to those projects I mentioned.

Q. Did you have the exclusive use of that car?

A. No.

Q. To whom was it registered?

A. Gee, I'm not sure. I believe when we bought it -- this time we were out at Gilman Hot Springs in the beginning of 1980, and we used phony addresses and phony registrations during that period of time so the property, Gilman Hot Springs, could not be found out to be Scientology headquarters. The CMO, the people who were in fact underneath Hubbard who were the conduit to Hubbard and who were running all of Scientology organizations, except for the Guardian's Office, which was its own autonomous network, were out there. And all the vehicles which were on the property were registered to other people, so it's a good chance that during that time it was registered to someone else.

Q. Was it registered to you, sir?

A. Well, again, I'm going to get on to that. It may have been. And the reason for that is, the cover was blown on the Gilman Hot Springs property at the beginning of 1980. So thereafter, they came out of the woodwork and began to say they were Scientology connected.

The car was purchased around that time and I took in the money and bought it. I really don't know if it was registered to me or not. But it's either to -- well, it really didn't matter to us and it's pretty irrelevant as far

as I'm concerned. But we would not have registered it to Scientology because we would not want the Scientology connected. But I had a phony address on my license, and while at Gilman, I used phony names. And up until the point the cover was blown at the beginning of 1980, we called ourselves various -- first of all, the Scottish Highland Quitude Club. And then we were friends of Mr. Hogue. And then we were the Western States Scientific Communications Association. And these were covers which were worked out for the activities that were going on on the property to mask the fact that Scientology was being managed from there.

Q. When did you buy the car, can you tell me that?

A. I would say February 1980.

Q. Shortly after you went on this project as the researcher?

A. Yeah. Again, it was bought mainly because Hubbard had issued this order that unlimited Scientology funds were to be made available for the Nobel Prize. So using that facility differential, we were able to get a car.

Q. What kind of car was it?

A. It was a Datsun 210.

Q. Is that the car you used when you took your trips up and down the coast of California and over into Montana?

A. No.

Q. Who else used the car?

A. Laurel, Dick Sullivan, Vaughn Young.

Q. Was the car purchased new?

A. Yes, it was.

Q. Now, in this item you also say there was difficulty in arranging interviews with family members and in absence of a line to LRH. Now, you interviewed, in two successive summers, I take it, the first summer you didn't see family, just saw friends of LRH?

A. No, I met -- not all of them the first summer, but I met -- and I mentioned -- I testified about this already, but I met three cousins and his aunt, the first time. And I spent a very brief time with them. And then Omar Garrison and I and his wife, Omar's wife, spent a great deal more time with them and other relatives and other friends; that was in probably late spring of 1981. Then I went to the Midwest in July and August of 1981, and that's when I interviewed his living uncle. I drove up to someplace outside of Brandon, Manitoba, where his uncle was living.

Q. What family members were you having difficulty interviewing?

A. Do I say there?

Q. No, you don't.

A. I think I have seen that in the dispatch.

Q. Maybe later on, but here you say difficulty in arranging interviews with family members. Are you talking

about his son?

A. Who, Nibs?

Q. Yes.

A. No.

Q. All right.

MR. WADE: Mr. Armstrong, look at page four Yeah. I do say here some contact of Katie Gillespie. Katie Gillespie is the full sister of Nibs Hubbard, L. Ron Hubbard, Junior, and I had talked to her by phone, briefly, and I had -- she was living at that time, I think in this area. I'm not positive, but I think she was in the Portland area. When I was passing through, I did finally track her down and did talk briefly by phone. And I corresponded with her. But she said that -- you know, without something in writing from her father, she wouldn't.

I could have got such a thing, because there was a woman who wrote these letters, this sort of thing, for Hubbard and signed his signature, and she was working in the adjacent building in Los Angeles. However, again, we couldn't admit to Hubbard being around to write this sort of thing, so I didn't get it at that time.

BY MR. COOLEY: (Continuing)

Q. Here you say, when you talk about the absence of a line to LRH, I take it Omar -- neither Omar Garrison nor you had a line to LRH during the period you were serving as a researcher?

A. Well, in fact, there was a line and we all knew there was a line, but it couldn't be admitted to. I received a message run via Laurel in probably June 1980, and this is after Hubbard had disappeared, in which he requested -- someone had informed him that I had discovered an old manuscript of his for a book written in 1938 called either -- it had two titles for it, Excaliber or The One Command. And he had requested of me a copy of this manuscript, which I had made. I had to assemble all the papers in some kind of logical order and I sent it to him. So there were communications and we all knew you could get something to Hubbard, but we couldn't admit to it.

Q. When you write here in this internal document, which is going up the lines, that there were no -- there was an absence of a line to LRH; is that a false statement?

A. Well, yeah. I mean, you couldn't put in a dispatch something like that. Obviously.

Q. You couldn't put that there was a line, but did you have to put there wasn't? Was there some requirement that when you were writing an internal document, at these high levels, that you had to put in a disclaimer that you had a

line to LRH?

A. Well, I mean, you wrote -- you always thought in those terms, because you were always aware that, heck, we had -- we had spent weeks destroying any kind of evidence of a line. We destroyed all evidence of Hubbard's control of the organization, of his financial control, of his issuing orders into the area, and we simply could not admit to it. But it was still a problem for Omar Garrison.

Q. Was it part of that that you couldn't even admit that you had a communication line to L. Ron Hubbard for the purpose of doing his biography?

A. Well, we could -- yeah, we couldn't admit to it. I could not put something in the out-basket, even though it could go to him, we couldn't do it. You couldn't admit it. We couldn't have this wog, Omar Garrison, go off and interview L. Ron Hubbard.

Q. You weren't a wog, were you? Why did you have to deny in here that you had a line to L. Ron Hubbard?

A. Well, I think I have explained it.

Q. All right. You have given your explanation just now?

A. Yeah. We knew there was -- obviously there was a line. You know, in 1981, he sent down the manuscript to Battle Field Earth and he had -- the book that became Battle Field Earth -- there were Sea Org members that retyped it, edited it, and worked on that project. I worked on the

project. So obviously he is sending in communication, stuff went back.

Q. That book was published and sold on book stands all over the country, wasn't it?

A. That's correct.

Q. And it was handled by ASI, wasn't it?

A. Well, prior to the existence of ASI, and this is the period in which I'm involved, it was handled by Sea Org members, ostensibly being paid by the organization. That's the period I'm talking about. The editing was done in my space. It was typed up. There was people who came into my area who went through the research materials which I had, in order to check names and that sort of thing in the foreword. There was a great deal of work which was done by Sea Org members, all of which enured to the benefit of one man.

Q. You also say here: "There was also some serious delays in getting GO-type data to Omar, as I had no real line into GO." Is that a true statement?

A. Well, to a great extent because I did not -- you know, or I had been in, like I said, I went through the Nibs information, but there were certain things which I simply didn't have access to, and I wanted a GO personnel who would provide this sort of thing. These guys were working on their various projects and problems. And my requests to them to provide, for example, the Quinton material, didn't get handled

as rapidly is they should have.

Omar Garrison had a cutoff date for completion of the manuscript in May of 1982, and there was not a great deal of assistance within the organization. That means it was not given a tremendously high priority. That's always the problem in the Organization, because each person is horribly overloaded and driven to desperation and they don't have time to do all these sorts of things. And I needed that help, and I requested, and Vaughn Young was finally provided in order to obtain those materials.

Q. Do you remember on direct examination talking about a flow chart of documents which culminated in arrows going back and forth between you a the GO as to an exchange of documents?

A. The exchange of documents was mainly between me and a man by the name of Tom Vorme; he was in charge of what was called Controller Archives. The Controller was Mary Sue Hubbard. These were technical archives. These were the masters of all the lectures given by Hubbard. They were the original -- either the handwritten or original typed version -- of each of the policy letters, each of the technical bulletins, each of the books. This was the sort of material which he had.

Q. Did he give that to you, sir?

A. Let me explain, Mr. Cooley.

Q. I just wanted to know: did he give that you

material?

A. Let me explain.

Q. Your Honor, could he answer the question yes or no and then explain?

THE WITNESS: Your Honor, I was in the middle of answering his first question, and I get asked another question.

THE COURT: Are you still explaining his first question?

THE WITNESS: Yes, Your Honor.

MR.COOLEY: Could the witness be instructed, in the future, if he could, to answer the question and then explain.

THE COURT: I think the problem is sometimes you ask another question before he thinks he's through with his explanation.

MR. COOLEY: That's because I lose track of when I'm getting an answer and when I'm not.

BY MR. COOLEY: (Continuing)

Q. Go ahead, Mr. Armstrong. Take your time.

A. Okay. He also had within Controller Archives some biographical data. It went back as far as Hubbard's birth. He also had some photographs, and he also had organizational-type materials which were not original, technical, or policies, and they weren't tapes. And those sort of things

belonged in the archives which I had created.

Whenever I got technical materials, which I did on occasion, I got original materials. Original materials, I would find them in various places. Those were not going to be included in whatever Omar Garrison was doing, so I sent those to him because they properly belonged to him. He in exchange sent me the material which did not properly belong with him, but belonged with me. Hence there was an exchange and hence those two arrows went back and forth between those two repositories.

Q. Is it your testimony that when you found tech you sent it to him, and when he found biographical material that was nontech in nature he sent it to you?

A. That's basically it, yes.

Q. All right. And so you did have a line into the GO for that purpose?

A. Well, the GO -- again that's the office of the Controller. And to some degree -- you have to understand how Scientology exists. It's a very compartmentalized organization. It's compartmentalized for a number of reasons, one of which is so that someone can sit up here and testify that: No, I don't know where those documents are, because they are in that other compartment. He can say: Not in my area. Anyway, that's a separate -- in a sense it's all the same thing. It's all run by Hubbard; he's in charge of the

whole thing.

But the Office of Controller or of the Technical Archives is different from B1, the Intelligence Archives -- the Intelligence Files. There was a lot of Intelligence information which Garrison wanted. For example, on the death of Quinton Hubbard, that happened to be contained within the the B1, the Intelligence Bureau. And there were a number of other subjects. Some of those things I simply did not -- you know, I would request them, but it wouldn't get resolved. So we wanted a -- someone from the Guardian's Office and also someone who could kind of represent the organization's viewpoint, because although this was not going to be a book on Scientology, you could not separate Hubbard from Scientology.

I had the biographical information; I didn't have to a great extent the Scientology information. I had a lot of it, but I didn't have the types of information which Omar wanted which I didn't have, which existed in the Intelligence Bureau or in Public Relations. And Vaughn Young seemed like the best person for it because he had worked with Garrison in the past on another book and he knew in the organization, in Intelligence and PR, where to go to to secure the information that Garrison requested.

Q. Well, when you say: "There were also some serious delays in getting GO-type data to Omar, as I had no real line into the GO," were those delays -- had those delays been

resolved by the time you wrote this? That is, had you gotten GO-type data to Omar?

A. Well, I don't know that I got it all to Omar at that point. Vaughn was involved in the project. During that period of time Vaughn came and went and did not work full time on it. He was involved in a number of other projects. I can't tell you if -- I mention here that the Quinton situation satisfactorily handled; meaning that's -- this is on Page 4 -- still to be done.

So at that time I did not have all the information regarding Quinton. I did not get all the information regarding Quinton, but through Vaughn was able to get a great deal of information regarding the defendant Quinton Hubbard.

Q. You were also able to get DeWolfe's B1 file before you went to interview him, as I understand your testimony.

A. I wasn't able to get DeWolfe's B1 file. It was a mass of documents probably three linear feet in length.

Q. But you were allowed to review it.

A. I did review it, that's true.

Q. So that was a line into the GO that put you right into the B1 files, as I understand your testimony.

A. Well, you know, I think I have explained it. Obviously I knew my way around my own archives. But when you are talking about GO files, you are talking about a mass of documentation. You are talking about times this room. You

are talking about a lot of files.

Q. Well, the real question I guess that I have, sir, is when you say that you had no real line into the GO, is that a true statement or isn't it?

MR. WADE: Your Honor, ink that's been asked and answered a couple of times. He's explained it to death.

THE COURT: One more time.

MR. COOLEY: That will be the last time, Your Honor.

THE WITNESS: We talked about a real line, because that seems to hinge on what the heck a real line is. Again, I had a real line into my archives. I could go in at any time; I could get any document I wanted at any time. I had a real line into Controller Archives. There was a guy there with whom I was in continual communication and who, on my request, could provide me information, could provide me documentation, which he did. I didn't have that same line, that quality line into the rest of the Guardian's Office.

BY MR. COOLEY: (Continuing)

Q. Including the B1 files?

A. Including the B1 files. I had access to them on occasion, but there were -- something else was needed.

Something else was needed to speed this whole thing up. That's what I'm talking about.

Q. Do you recall an occasion you mentioned something about archives of all -- in the tech archives, all of the lectures that LRH had given. Were there tape recordings in those archives of all those lectures?

A. Well, according to the records which we had, there were tape recordings of the vast majority of the lectures. Some were missing. And, in fact, I was able to, through my travels and through my contact of people, find a great number of lectures to fill in the gaps. But it was a tape archives, but it was not of all the lectures that Mr. Hubbard had apparently given.

Q. Did you have access to those, sir?

A. Well, I could have if I had reason to. I did receive transcripts. The tape recording themselves were really of no use to me, because it required a reel-to-reel recorder and it's a pretty bulky thing and then you would have to transcribe it. So I had access if I needed it, but it was not something that I had any use for. I did secure a number of transcripts of these lectures and those were given to Garrison, and for his use in the biography if they contained biographical information. If they were simply a Hubbardian technical utterances, Garrison wasn't interested.

Q. Did you ever come across a conference that took place

or a question-and-answer period that took place between LRH and a number of staff Scientologists, including Laurel Sullivan, in which Laurel Sullivan, specifically asked LRH about the nuclear physicist matter?

A. I did not come across that. I had a transcript of what was called the source briefing.

Q. Yes, sir. That's what I'm talking about.

A. Okay.

Q. When did that source briefing take place?

A. My recollection is sometime in 1974. It was onboard the ship and I couldn't give you a port or a date. But the organization has that transcript and it would be very useful.

Q. Do you recall Laurel Sullivan asking LRH about the nuclear physicist thing?

A. No, I don't recall. He was asked a number of questions and he answered them.

Q. It may not be the source briefing I'm talking about. Do you remember another incident where Laurel Sullivan asked him that question, the nuclear physicist matter and he said, "I got the lowest mark in the class"?

A. And he didn't change the biographical sketches?

Q. He was being asked by Laurel Sullivan about the issue and he communicated to her that the only one that got a lower mark than him was a fellow that didn't take the course and she then had the answer to her question. Do you recall that?

A. I don't recall it. What I did see was the source briefing that I know took place. I would very much like to hear this tape, where he says that.

Q. Well, perhaps we can arrange that for you this afternoon, sir.

It says -- if you look over on page two, the fifth paragraph: "Nibs is intending to come out with his own biography of LRH." you that at your meeting with him shortly before this memorandum was prepared?

A. Paragraph four.

Q. I guess you are right, four.

A. Yeah. You know, we knew, like I say, we had these four chapters which he had either -- either the guy who was close to him -- it was a man by the name of Ford Schwartz, F-O-R-D, S-C-H-W-A-R-T-Z. I think through Ford Schwartz they had been able to get this original four chapters, and I had a copy of that. So we knew of that. And I even think that we asked Nibs if he was planning to do it. And I think he did say that he was. I don't know if he ever did it. Nibs writes on occasion and -- I have no idea but we did know even before this of the four chapters.

Q. Incidentally, on the book you are writing, how far along is that, sir?

MR. WADE: Objection. Irrelevant.

THE COURT: Sustained.

BY MR. COOLEY: (Continuing)

Q. Did you furnish any of your manuscript to Mr. Sherman?

A. Well, there is, I suppose the --

MR. WADE: Objection; irrelevant, Your Honor.

THE COURT: Yes. I'm going to sustain that, too. I don't see the relevance of that question.

BY MR. COOLEY: (Continuing)

Q. You say, "Any slow delivery of the manuscript will be due to delays in getting needed research to Omar." I take it at the time you wrote this on November 10, 1981, you had not made up your mind to leave the Church; is that right?

A. No.

Q. No, it's not right or no, you hadn't made up your mind?

A. No, I hadn't made up my mind.

Q. Do you see down here where you say, "I've got Joyce working with me, which will greatly speed up the research. She is handling immense stacks of copying and will be transcribing a hundred-plus interview tapes I have accumulated." You are referring to your wife there, are you not, sir?

A. Yes.

Q. Could you tell us when, between the 10th of November and the 12th of December, you made up your mind to leave the

Church?

A. I can't give you an exact date but --

MR. WADE: Your Honor, I believe this has been asked before in an examination. In fact, I'm sure I asked that.

MR. COOLEY: Not in this context. It was asked in the context of the mission holders' conference, not in this context.

MR. WADE: It was asked the first day of cross-examination.

THE COURT: I have heard it a couple of times about when he decided to leave the Church.

MR. COLLEY: So we have now got it bracketed, Your Honor, between the 10th of November, when this was written, and 12th of December, when he left. And I thought that might assist him.

THE COURT: Does it assist you in any way, Mr. Armstrong?

THE WITNESS: No, Your Honor. I have given him as best as I can. I can't give him an exact date. Over the final week or so there, I moved out a bit at a time everything that I owned.

BY MR. COOLEY: (Continuing)

Q. What immense stacks of copying was your wife doing, sir?

A. Well, there was a great deal of copying to be done. I had worked on it over a long period of time, over several months. I can't tell you exactly what she was doing at that time, but I then had some of the information, the documentation from Controller archives, and right up until the end when I left, there was more information flowing in to the archives, into my archives area. I had within just -- sometime within a few weeks prior to that, obtained all the LRH PERS Comm, Personal Communicator files. There was a mass of documentation still to be done. And she was willing and -- to spend a great deal of time and copy this stuff.

Q. And she was also typing up a hundred plus interview tapes that you had accumulated.

A. I said she -- and will be. I don't think she ever got into the transcribing. If we had stayed around, that would have been perhaps the next project.

Q. Did she finish the copying work?

A. She did what she did up until the day we left. She did -- It isn't finished, but she did a great amount of copying. She prepared binders. She worked very hard.

Q. What is the OVG interview that you refer to on page three, sir? The upcoming OVG interview. Is that Omar V. Garrison?

A. OVG is Omar V. Garrison.

Q. Where was he interviewed?

A. I don't know if he was interviewed, but there was an interview planned. The reason for the interview was, a person by the name of Michael Lynn Shannon from Portland, here, had been researching Hubbard's life for two years. He had come up with a tremendous amount of documentation showing that basically, Hubbard was a fraud. That information had been provided to Clearwater City Commission. Clearwater is a major Scientology headquarters. Nibs was coming out with his four chapters or biography. And one of the PR resolutions to this problem, because Hubbard was being attacked or shown for what he really was, one of the PR resolutions was to interview Omar Garrison.

Omar is a -- he has credibility, he's a presentable man, he's seventy some odd years old, he talks well, he's authoritative, and he was going to put this information in a different light. It was going to be Omar as the authority, the man with the real documents, the real truth. And Omar -- You know, it was predicted that Omar would be very adept at this sort of thing and would be able to work on a strategy with the interviewer so it looked authentic and this would be used as a DA, dead agent, tool to attack the people who were spreading what the organization considers entheta about Hubbard.

Q. And had you discussed this with Garrison?

A. Well, the main person I think who was discussing with

Garrison at that time was Vaughn Young and Sue Anderson. It was their plan. I did know of it and -- but they were the main ones who were going to be handling it. Omar was principally -- you know, I was his main contact in the organization and we had become very close over the last two years.

Q. One of the things that you were asked to do in the page one was to "Report on what Vaughn is doing and what this upcoming OVG is for." Do you see that?

A. And what did I say?

Q. In other words, you were the one being looked to for a report on that, weren't you?

A. Well --

Q. And does not your report begin on page three, dealing with item three of the report in the telex?

A. Correct. Now --

Q. Let me just ask this question, then. Was it not within your area of responsibility, this OVG interview, and wasn't that the reason that they were looking to you for a report on it?

A. In a sense, but not really. The reason is, Vaughn was at that time a Guardian's Office staff member. He was in the separate autonomous network. Armstrong is in personal office of L. Ron Hubbard. This person, whoever originated this thing, Gayle, Donna or whoever, was obviously receiving

reports from various people. There was -- and it's not attached here, I see -- at least I don't think it is -- no. They referred to -- Oh, here it is. Project Biog Debug, Vaughn Young. Written by Sue Anderson. And that contains within it somewhere here --

Q. That's that October 30, 1981?

A. Correct.

Q. All right.

A. So Sue Anderson is down here as LRH Personal Public Relations Officer.

Q. I understand.

A. She sends up this proposed central office of LRH executive director on 30 October 1981, the purpose of which is to utilize Omar Garrison in something, although connected to, distinct from, the biography project. Omar Garrison is at that time busy writing a biography. These people look at him and say, "Ah, there is a resource. We have this problem. Maybe we can get Omar Garrison to do an interview."

Sue Anderson types up this proposal, it it goes up through the organizational lines and arrives at the top, and the person at the top, underneath Hubbard, underneath Miscavage, but ostensibly, as far as we are concerned, on top, says, "What's this project I'm hearing about?" Because all she says is -- somewhere -- "We are in a situation of entheta being spread about L. Ron Hubbard that can be DA'd very

effectively by producing an interview with Omar that covers what he is discovering in his research on the man."

Q. What is "entheta"?

A. It's contracted interbulated theta' it's a criticism. It's -- Entheta is anything bad said about Scientology or L. Ron Hubbard.

Q. What is "theta"?

A. Theta is some laudatory comment.

So I'm answering that and I answer it as fully as I can, but their questions appear to have been precipitated by this project which came from Sue. These people then looked to me, knowing that I'm the person who's dealing with Omar Garrison and has been dealing with him for a couple of years, knowing that I'm the person who is in the personal office of Hubbard and is closer to them than John Young, who is a GO staffer, way down the organizational chart. So they looked to me for an explanation and that's what I provided.

Q. Did you discuss with Omar Garrison his doing this interview?

A. Undoubtedly I discussed that and I discussed later on, as well. I remember the discussion of his doing the interview continued on after I left the organization.

Q. Did he agree to do it?

A. I really don't know. I think he did something, but I don't --

Q. And the object was to have Omar Garrison, with all of the material that had been gathered for him, to go out and counter the entheta of Shannon and others; isn't that right?

A. That's correct.

Q. And you think he did something along those lines, but you can't remember what?

A. Well, I remember Garrison saying something about some PR thing that he did, but, you know, if he did it, and as to its validity at that point, I think we would have to check with Omar Garrison.

MR. WADE: Your Honor, at this time, to put this in context, I would like Mr. Armstrong to read the third paragraph of the first page.

MR. COOLEY: He can read the whole thing if he wants, Your Honor; I don't care.

THE COURT: Go ahead.

MR. WADE: Third paragraph of the first page.

THE WITNESS: The one that begins "PT Status"?

MR. COOLEY: Are you talking about the top page of the exhibit or --

MR. WADE: Yes, the top page.

MKR. COOLEY: That's the letter from Lowie to Donna?

MR. WADE: Yes.

In fact, why don't you read the entire body

of the letter.

THE WITNESS: "Dear Donna, please send me a full report on what this biography Omar is doing and what is happening with it. Gayle is concerned about Omar doing this without R's personal okay. He would have to okay it. Imagine if there was something wrong with this and he later saw it. It would be flap city. Gayle also noticed in a report from you that Omar is being interviewed, and this should get security okay from someone, as he knows one hell of a lot of stuff. Please sort this out. Gayle wants a report on this fast."

MR. WADE: Thank you, Mr. Armstrong.

BY MR. COOLEY: (Continuing)

Q. Let me ask you a few questions about that, Mr. Armstrong, now that it's been brought to your attention. In the opening paragraph, Lowie says, "Please send me a full report on what this biography Omar is doing and what is happening with it." Do you see that?

A. Yes.

Q. Then she says, the seconds paragraph, "Gayle is concerned about Omar doing this without R's personal okay, as he would have to okay it."

Do you see that?

A. Yes.

Q. That is a reference to the biography, isn't it?

A. Well, the manuscript per contract was to go to Hubbard. He had to okay it. He was the final okay, he was the final authorization on the manuscript. The biography project was going along.

Q. The biography project had R's personal okay; is that your testimony?

A. Well I have described to you the okay I know that existed. I mean, L. Ron Hubbard's personal attorney drew it up, made the negotiations, cut the deal with AOSH PDK Publications. L. Ron Hubbard's representative, Laurel Sullivan, negotiated it on behalf of L. Ron Hubbard. I was working for L. Ron Hubbard, Laurel worked for L. Ron Hubbard. His interests were all being taken care of. And -- And Mary Sue Hubbard had a power of attorney from L. Ron Hubbard, which was exercised in order to go ahead with this project.

Q. Can you explain why, on September 11, 1981, Lowie is saying that Gayle is concerned about Omar doing the biography without Hubbard's personal okay?

A. Well, again, you know, you have to understand the way the organization worked, you have to understand, as well, that per the contract, Hubbard had to okay it.

THE COURT: I think with that, we will recess for lunch.

Members of the jury, please remember my

cautionary instructions. I know you have been doing that faithfully. Do not discuss the case amongst yourselves. If anyone should attempt to contract you or discuss it with you, report it immediately to the Court. We will start up at 1:30. Please leave your notes locked in the jury room.

(Jury was excused.)

MR. McMURRY: Can we make inquiry with Mr. Peterson, Your Honor?

THE COURT: Mr. Peterson, what's the latest on the shipment of tapes?

MR. PETERSON: This envelope, I believe, contains tapes.

THE COURT: Have you had the waybill by the way?

MR. PETERSON: No, Your Honor, I don't have the waybill. This package was left at the desk of my hotel this morning.

THE COURT: Okay. Now what I want to know is who brought it to your hotel, where it came from. The concern, obviously, Mr. Peterson, is whether it indeed came from Toronto.

MR. PETERSON: Well, I contacted the attorney in Toronto and told -- actually left a message at his office saying I need the tapes in Portland. I

talked to him and he said they will be delivered in Portland. And they were delivered in Portland.

THE COURT: My question is, from whom? How? I was told they were put on an airplane an flown here from Toronto.

MR. PETERSON: No, you weren't told that, Your Honor. What you were told was, "If they are in Toronto, then we will get them on a plane. We will do whatever is necessary --

THE COURT: Are you saying to me that you said, "if they are in Toronto." Is that what you are saying, Mr. Peterson?

MR. PETERSON: I can check the transcript --

THE COURT: I want to see you at 1:30, Mr. Peterson with the bill of lading. 1:30.

MR. McMURRY: Your Honor, can we have the tapes submitted to the Court?

MR. PETERSON: Wait a minute, Your Honor. At 1:30, I'm not going to have the bill of lading. It's going to take me longer than that to find the thing, if such a thing exists.

THE COURT: 1:30, Mr. Peterson.

(Tapes were handed to the clerk.

Court recessed at 11:58 a.m.

(Court reconvened at 1:30 p.m. Following proceedings held in chambers.)

THE COURT: I have ordered a copy of the transcript of our statements the other day, and your statements, Mr. Peterson, as well as the Court's, so we will see what the exact wordage was so that there is no misunderstanding. Do you have a freight bill for me or bill of lading?

MR. PETERSON: No. I have the numbers on the transcript. I can't look at the transcript, but I was told the numbers are the period of day that statements were made. That may save some time. I'll give that to the Court.

THE COURT: This is no reference to you. I'm talking now to Mr. Peterson.

MR. COOLEY: Yes, sir.

THE COURT: This now is an area where the integrity of this Court is being tested, in my opinion. I'm used to lawyers telling me straight up what is going on, not hidden agendas, not hiding behind ifs, ands, and whats, but telling to me straight when I ask a question. That is what I am used to. I can say that is what Mr. McMurry and Mr. and Wade and Mr. Runstein and Mr. Cooley have done.

You, Mr. Peterson, I'm having a problem with it seems like.

MR. PETERSON: It seems so, yes. Well, may I speak?

THE COURT: Certainly.

MR. PETERSON: Your Honor, I have not meant to either mislead the Court or not to be fully honest with this Court, but to be meticulously honest with this Court. I have been careful what I said because, as I have represented in open court to the Court, there were certain things that I did not know, that I would have to make certain investigations before I could make a representation to the Court. And that was why I was careful what I said and may have couched what I said in some terms of "if."

And I endeavored upon this investigation in open court after Mr. Cooley, who is trying the case and is busy with his cross-examination, asked that I make certain inquiries.

THE COURT: Mr. Cooley is the one that offered the information to the Court. We should make that clear on the record. He offered the information. I'm not quarrelling with Mr. Cooley.

MR. PETERSON: That's how I became involved

in this, Your Honor.

THE COURT: Yes. He said he would put you on it immediately.

MR. PETERSON: You have to understand I'm not up here trying the case, preparing the case, or doing anything about this case. This tape incident, as I had represented to the Court, was something that was initiated by an attorney outside the United States, using --

THE COURT: I understand through the branch -- Church of Toronto?

MR. PETERSON: No. He worked for the Church of Toronto. He is defending some criminal defendants in an indictment in Toronto. He did not do it through the Church of Toronto. This is a private attorney; he's representing some defendants in a criminal indictment that came down in Toronto. I don't know who he represents, whether they are individuals, whether it's the Church or what exactly -- who he represents. But I know he represents some people in a criminal indictment, and as part of his preparation for that case, he retained Eugene Ingram to do an investigation which resulted in the videotapes.

THE COURT: That would lead me to believe it

had something to do with the Church, if it's got something to do with Mr. Armstrong.

MR. PETERSON: No, it's -- Well, yes, as Mr. Armstrong had testified he had given either testimony or affidavits or some sort of evidence to the Ontario Provincial Police, which resulted in a raid and these particular indictments. And since he was the, I guess what you would call -- I don't practice criminal law -- the key informant or whatever is necessary to get a search warrant issued. I guess Mr. Ruby decided that he would conduct an investigation on Mr. Armstrong with relation to certain statements.

As I had pointed out to the Court, I knew nothing about it. It was a very secret operation. Mr. Gutfeld didn't know anything about it. The Church in California didn't know anything about it while it was -- You know, it was supposed to be a covert operation and the fewer people that knew, I guess, the more secure it would be.

I walk into court up here, all of a sudden there's a big bruhau on the taping situation. That is my first involvement with the taping situation. And I'm asked to contact that attorney in Toronto to investigate getting these tapes here.

THE COURT: You came in on the second half, because we had been through, for a couple days, the initial videotaping done by -- or on the same person, only the meeting with Joey as opposed to Mike Rinder.

MR. PETERSON: I knew there was something going on about the first tape, so I endeavored to help Mr. Cooley by contacting the attorney in Toronto, which I did. The attorney in Toronto, I must honestly tell the Court, was extremely reluctant to turn over what he considered his evidence to me or to this Court or to anyone outside his jurisdiction.

It wasn't until he was informed that we were under an order to produce these that I informed him. I said, you know: They've got to get here; I'm under Court order to get them here with some other documentation. And he said that he would endeavor to do that.

The only thing he asked me to promise is that the Church would not touch them or have anything to do -- meaning the Church here in the United States -- with either their acceptance or delivery to me. And I said I would comply with that, that I would pick them up, and I would deliver them to the Court

and see that the Church did not intercept or touch them in any way. I think he fears the tainting of evidence in his criminal case in Toronto.

And this morning, I can give the exact time, I have the bill from the hotel, 7:12 a.m., which is about the only time I can get up early enough to catch him in Toronto. I put a call to him in Totonto, area code (416), and asked for a status report on the tapes. I was told at that time that before noon today they would be delivered to my hotel.

I left the court at approximately 11:00 this morning after reporting that the tapes would be here. I walked over to my hotel, checked with the desk clerk. The desk clerk said that a young lady with dark glasses, blond hair, had left a package for me. I picked up the package, did not open the package, but walked immediately back to court, arrived back at court at approximately 11:20 and sat there until I turned the tapes over to this Court without --

THE COURT: At noon.

MR.PETERSON: -- at noon, without opening the package. Now, I cannot represent to this Court that they came from Toronto or where they came from. The

attorney did not tell me.

THE COURT: Okay.

MR. PETERSON: But in checking with people who were in court -- I thought I made it clear I had no direct knowledge of where those tapes were located. I was just actually making inquiry in an investigation of the two Rinder tapes. The first time I heard about it was approximately Wednesday or Thursday.

THE COURT: I have the envelope, square manila envelope; Scotch taped, one piece of Scotch tape on the back; with a white piece of paper, letterhead-size, on the front, which says: John G. Peterson, Esquire. No other stamps, marks of any indication on it.

Okay. That's where we are. We might surmise, I suppose, they have been here. One might.

MR. PETERSON: I can state -- I will state, under oath if need be, that they have not been in my possession and this is the first time -- well, I haven't even seen the tapes. I presume they are -- the tapes are in there.

THE COURT: I haven't opened the package.

MR. PETERSON: Right. This is the first contact I have had with those tapes.

MR. COOLEY: If it had been here, I can't understand why I wouldn't have been notified about it.

THE COURT: I don't either, Mr. Cooley, which is very surprising, also, unless the client is not your client and not telling you either.

MR. COOLEY: There would be no reason for that, Your Honor. There would be no reason for it at all.

THE COURT: I can't think of any.

MR. COOLEY: Because I don't have -- the only reason that I talked to this fellow Rinder, I understand that in those conversations there was some good stuff for me. I just didn't want to get into tapes again; it took us four days last time.

THE COURT: I hardly blame you for that. Well, the first thing before we come to anything from the Court, I want to review the transcript as to what was said. I don't want to hold up the trial for very long, because we can look at that later on.

MR. COOLEY: I have, I'm pretty sure, the transcript, I have a whole bag full of the transcript. I think yesterday's and the day before, I would have.

MR. RUNSTEIN: My administrative assistant

gave him the pages. There was colloquy between the Court and Mr. Peterson.

MR. PETERSON: It wasn't colloquy. The question put to me, as I recall was: Get those tapes here, and how soon can you get them? I was told that they were -- the person I was to contact was a Mr. Ruby in Toronto. I had presumed they were in Toronto and said it depends on airplane flights.

MR. COOLEY: What pages are we talking about?

MR. PETERSON: 4700, 4717, and 4769.

MR. COOLEY: 4717.

MR.PETERSON: It's Thursday in the morning, Thursday in the afternoon.

MR.COOLEY: I have 4717 first.

"The Court: Mr. Peterson, any news for me?

"Mr. Peterson:" --

THE COURT: I think this actually went on Wednesday.

MR. COOLEY: I think there was more than one day you asked Mr. Peterson.

THE COURT: I do, too. I think the conversation about where they were --

MR. McMURRY: Your Honor, it actually first started on Friday when documents and tapes and anything was going to be done. And Mr. Cooley

responded -- you said: "That's a tall order." And Mr. Cooley said: "It sure is. I'm going to be working on it and I'll have Mr. Peterson work on it."

That's when you required in the first instance -- you want everything. Cough it all up with the exception what Gerry Armstrong had handwritten. That's when it first came up.

MR. PETERSON: I made no representations then.

MR.MCMURY: Then on Monday we -- the Court made inquiry regarding that and that's when the name -- or the Toronto attorney came up.

MR. RUNSTEIN: I think, first of all, we didn't meet on Friday. I think it was later that Mr. Cooley apparently learned there were tapes after he thought there were no more tapes, and he advised the Court there were additional tapes.

THE COURT: He did. But I don't know exactly where that is in the transcript, what happened after that. We will just have to read it.

MR.MCMURRY: Thursday -- I did misspeak myself. That is correct, of last week.

MR. PETERSON: I wasn't here.

THE COURT: No, you weren't here.

MR. COOLEY: I say when I go back for lunch I'll check on that location.

THE COURT: We have about a week's transcript to read.

MR. COOLEY: All right. I want to take the time now to do it. I want it from last Thursday, I guess, is what everybody seems to indicate, what we first started talking about it. And I will read it. Last Thursday?

THE COURT: That seems to be when we started to talking about it. That is Mr. McMurry's indication.

MR. PETERSON: That was the first tapes, I guess.

THE COURT: That's the first tape. But I started to make inquiry about any other tapes last week. You didn't know of any at that time.

MR. COOLEY: Yeah. We were dealing only with those on the 7th and 9th. We were shut down virtually Monday and Tuesday. We didn't take any evidence.

THE COURT: That's right. We need that period of time. It amounts to about a week up through noon today.

Anything else, gentlemen?

MR. McMURRY: Well, I just wondered if Mr.

Peterson has any idea what time the tapes were delivered to his hotel room or to the hotel desk today?

MR. PETERSON: Between 9:30 and 11:00. Actually 9:15, I guess. I got there around 11:00; they were there -- or the package was there.

THE COURT: What disturbs me is it seems as though -- without saying who, because I don't know who -- but somebody, out there somewhere, is making it very difficult to enforce Court orders.

MR. PETERSON: Wait a minute. The Court order has been complied with. When you ordered those tapes to be gotten here --

THE COURT: Wait a minute, Mr. Peterson. If they were here, I could have had them two days ago.

MR. PETERSON: They weren't here two days ago.

THE COURT: Well, --

MR. PETERSON: As far as I know, they weren't.

THE COURT: I didn't say you did. But I'm handed a package that certainly doesn't look like it came air freight from Toronto.

MR. PETERSON: I would imagine it didn't, not in that condition. But there are other ways of

getting it here, and the attorney assured me that he wanted it kept out of my client's hands. He has an evidentiary problem; he didn't want it -- chain of custody, I don't know why, but he said he would get it here. And that's all he told me.

THE COURT: The fastest way is by air freight. I don't know how else it could get here from Toronto to here.

MR. COOLEY: It could come by carrier, Your Honor. He could have flown, himself.

THE COURT: It could come by private carrier or he could have flown with it here himself.

MR. PETERSON: One concern he said to me, he said he was sending original documents. There's presumably something in that envelope other than tapes. I had asked for the Rodriguez letters; he may have included those. And I asked for other reports, you know, the stuff Mr. McMurry had on his shopping list. So --

THE COURT: Until I read the transcript, I don't want to open this yet. And then -- unless you gentlemen don't mind if I do.

MR. COOLEY: I don't see what difference it makes.

THE COURT: All right. I'll open it.

(The Court opened envelope.)

THE COURT: Three tapes labeled "Armstrong and Mike, November 30, 1984; Armstrong and Mike, November 17, 1984; Armstrong and Mike, November 17, 1984, first six minutes."

MR. COOLEY: November 17, I never heard of that one. November 16, 17, and 30?

THE COURT: No. November 30 and November 17.

MR. COOLEY: All right.

THE COURT: There is nothing here that we have not all seen before. It'a Officer Rodriguez's letter.

MR.MCMURRY: I think it may be a different date, Your Honor.

THE COURT: You are right. One dated November 13 and one dated November 28.

MR. McMURRY: All right. Your Honor, could I please move that each of the tapes be marked separately as a Court Exhibit, and each of the documents that have come from the packet and the packet itself be marked as separate Court Exhibits.

THE COURT: It appears to be an original and two copies of these Rodriguez letters.

MR. PETERSON: I think that's what his concern was, that was his original letter.

MR. COOLEY: After the Court examines the originals, could we have the originals back, and keep the copies?

THE COURT: I'm not going to disturb his chain of custody if that's what he is concerned about.

MR. COOLEY: Yes, I guess that's his concern.

THE COURT: They are not going anywhere, however, Mr. Cooley. The purported authorization dates are different. November 13 authorization is November 15 through November 21; the November 28 purported authorization is November 30 through December 7.

MR. COOLEY: Is the first one a week? What are they good for, a week at a time?

THE COURT: It looks pretty close.

MR. McMURRY: Okay. Will you have Lois come in with a court stamp?

THE COURT: These will be a Court Exhibit number. They will consist of three documents, an original and two copies -- as will the other one, as will the package, as will each of the tapes contained, an exhibit number. For the time being, they are Court Exhibits.

MR. COOLEY: Would Your Honor mind marking

the copy instead of the original?

THE COURT: I don't mind. The next exhibit number, not on the original, but on the copy: Court Exhibit. Not on this, on the manila folder: Court Exhibit. On each of these three tapes. They will be the next six exhibits, sequential.

THE CLERK: All right.

MR. COOLEY: That's all I have.

MR. McMURRY: One other item, Your Honor, is that now the best investigation that has been conducted that there are no further tapes of the meeting with Rene -- Rena, and this lawyer, Janeway.

MR. COOLEY: That's right. I have already stated that.

THE COURT: The representation to this Court is that they are nonexistent, audio or videotapes.

MR. COOLEY: Right.

MR. McMURRY: All right. And reports, Mr. Peterson --

THE COURT: You are going to have to say to the best of your knowledge, Mr. Cooley, that you don't know of any.

MR. COOLEY: I have made inquiry and I'm informed there are none.

THE COURT: Mr. Peterson?

MR. PETERSON: Same is true. I had planned to return to Los Angeles to make another check for the items on Mr. McMurry's shopping list.

MR. COOLEY: Those are documents you are talking about?

MR. PETERSON: Right. He mentioned reports, too. Someone mentioned a report. Maybe it was McMurry.

MR. McMURRY: The only other question that I would have at this time, Your Honor, would be the method by which Mr. Peterson obtained knowledge of the first two tapes that were offered, of the Joey interviews.

THE COURT: Of which interviews?

MR. MCMURRY: It's my understanding this chap Ruby, masterminded all of the tapes. And I'm interested in how only two came to the knowledge of Mr. Peterson and then to Mr. Cooley, two out of the five, by Mr. Ruby, when that knowledge of those first two tapes -- but not until yesterday the other three. And did that knowledge come to him through Mr. Ruby or some other person.

THE COURT: I think these inquiries I will reserve making. I thought of it, also, Mr. McMurry.

But I think I'm going to reserve further inquiry until I have such time to look at the transcript.

MR. McMURRY: Fine.

THE COURT: Let's go to work.

(Following proceedings held in open court out of the presence of the jury.)

THE COURT: Mr. Armstrong.

(Witness resumed the witness stand.)

THE COURT: Let's get our exhibit numbers stright, gentlemen, so there is no question about this. They should be, according to my numbering system, 893, 94, 95, 96, 87 and 98; is that correct?

MR. McMURRY: 894 would be the first.

THE COURT: What's 893?

MR. McMURRY: Letter Dear Sir, dated 15 October 1981.

THE COURT: We never got that.

THE COURT: 893 should be the letter, Rodriguez letter. Which date?

THE CLERK: November 28.

THE COURT: All right. November 28 letter of Rodriguez. 894 should then be the --

THE CLERK: November 13.

THE COURT: -- the second Rodriguez letter.

11/28 is 893. Whatever the date is on the second Rodriguez package. What's the date of it?

THE CLERK: November 13.

THE COURT: November 13. That is 894. What have you used 895 on?

THE CLERK: The manila envelope.

THE COURT: Okay. That's the manila envelope. 896, 897 and 898; what is 896? It's a videotape. Which one?

THE CLERK: I have November 17.

THE COURT: Videotape dated November 17.

THE CLERK: Yes.

THE COURT: What's 897?

THE CLERK: November 17.

THE COURT: That's November 17. One of those is a six-minute tape, if I remember correctly. And 898 should be another videotape and what date is that?

THE CLERK: November 30.

THE COURT: November 30. All right. Those items are all Court Exhibits for the time being.

Everybody's records straight?

MR. COOLEY: Yes.

THE COURT: Mr. McMurry?

MR. McMURRY: Yes, Your Honor.

THE COURT: Okay. Get the jury.

(Following proceedings held in the presence of the jury. Defendants' Exhibit 899 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. I show you, sir, what has now been marked as Defendants' Exhibit 899 for identification and I ask you whether that is a document in your handwriting that was prepared by you and delivered to Mr. Sherman for transmittal to the so-called Loyalists?

A. This is a -- part of this is, and you have mixed up two documents here.

Q. I have?

A. Yes.

Q. Tell me what's mixed in. The pages are numbered one, two, three, four, six -- starting with page six is not part of this document?

A. Right.

Q. Starting with six, that's the answers to the questions that you prepared that we have seen on another document, correct?

A. Yes. You gave me a partial document the other day and this appears to be the remainder of it. It ended in the middle of a question, if you recall.

Q. All right. Let's then see if we can straighten that out.

MR. COOLEY: Could I have 883 again.

BY MR. COOLEY: (Continuing)

Q. Do you remember both of the documents are dated November 8. I show you Exhibit 883, sir. Is this the document you are referring to that ended, page five?

A. Correct.

Q. So these pages that are Xeroxed to this should really be a part of that exhibit?

A. Correct.

Q. All right.

MR. COOLEY: If nobody has any objection, I will take of pages six, seven and eight of Exhibit 899 and attach them to Exhibit 883 consistent with the witness' identification.

Is that all righ?

MR. McMURRY: Yes.

THE COURT: Why don't you make your changes and then show it to opposing counsel in the proposed form you wish it to be introduced.

MR. COOLEY: Yes, sir.

883, I now have attached to it, these three pages.

BY MR. COOLEY: (Continuing)

Q. Is 899 complete with four pages, sir?
A. I can't tell you that.
Q. I'll show it to you again. Now, sir, 883, I have attached those last three pages. That is now a complete document?
A. It appears to be.
Q. And 899, without those they pages that belong to another document, is that now a complete document of the same date?
A. I can't tell you.
Q. Is it in your handwriting?
A. Yes, it is.
Q. And is 899 your questions that you wanted them to answer and is 883 your answers to some questions that they had?
A. Yeah. They had some questions and --
Q. And you had some questions; right?
A. Right.
Q. Okay. And 883 were your answers and 899 are your questions; correct?
A. Right.

MR. COOLEY: I offer 899, Your Honor.

MR. WADE: No objection.

THE COURT: 899 will be received.

(Defendants' Exhibit 899 was admitted

into evidence.)

BY MR. COOLEY: (Continuing)

Q. Now, sir, on Exhibit 899, on page four, item twelve, -- well, just before item twelve, you hve got something set forth that says, "This will be our code."

A. Yes.

Q. Did you develop a code with this fellow Joey or with the so-called Loyalists?

A. It's difficult to say. This is a joke; right?

Q. I'm sorry?

A. You've got it, right? It's a joke.

Q. Did I catch your joke?

A. It's a joke.

Q. Is that what that is?

A. Right.

Q. I didn't catch it. That is not -- so that's not meant to be a serious matter there on page four?

A. No. It reads, "Oh, ha, ha."

Q. Where does it say that? Where does, "Oh, ha, ha," appear?

A. It's just a joke Mr. Cooley. It's nothing more than that. The same at the bottom. "Remember, all you need is doubt the size of a mustard seed as well. If it's Grey Poupon" --

Q. I was just about to ask you about that because I

didn't understand it. When you say, "Remember, all you need is doubt the size of a mustard seed, as we will, if it's Grey Poupon." That's a joke?

A. It's just a joke.

Q. That certainly clears that up for me.

Now, going back to Exhibit 883, which is in front of you now, with the pages that we didn't have the last time since I apparently had misstapled it, you see on page six, where you say, "The Court would be less likely to move immediately to freeze accounts and that type of thing if it was simply an issue of who should control funds. Which, for example, is being litigated in something case." What is that word?

A. Corryden's.

Q. "Corryden's case."

A. I don't know if that's the correct spelling, but that's what I meant. I think there is a Y in there. C-O-R-R-Y-D-E-N.

Q. "If it had, for example, illegal transfers of money are being made, such as Homer knows about, they could get an affidavit from Homer, Nelson, just Homer's testimony about what he did there together with, for example, payments, amounts to PIS, and to attorneys and that would probably do it." Do you see that?

A. Yes.

Q. Do you remember --

A. It's Homer's testimony alone.

Q. Is that what you were telling the Loyalists, that if all they had was a fight over control, that that would not be likely to capture the Court's imagination so as to require him to freeze the accounts?

A. They asked me a number of questions and, again, it's very clear -- this is my analysis of it. You guys need to get an attorney. I really can't give you legal advice. You are asking the wrong guy. But all that notwithstanding, I'll give you how I see it. And this is how I saw it. It may be inaccurate, but I did the best I could according to the information that they provided me and what they requested of me.

Q. The reason I asked you that, am I incorrect in understanding your previous testimony to be that your advice to them was that it would be sufficient for them simply to go in as persons that were seeking control of the Church organization an they didn't need anything in addition to that?

A. They asked about what in addition they needed. You have to understand, again, they were getting it from me and I am not an attorney.

MR. WADE: Mr. Armstrong. Before we get into this again, Your Honor, we object on the ground of cumulative.

THE COURT: It does appear to be so, Mr. Cooley. We are going to have him testify again what he's already told us.

MR. COOLEY: We didn't have these three pages on 883 before, Your Honor.

THE COURT: I'm fearful the answer will be exactly the same. He's starting in that direction.

MR. COOLEY: If it's exactly the same, so be it.

THE COURT: Is it going to be the same thing, Mr. Armstrong.

THE WITNESS: Yes, Your Honor. I was very explicit with it. Given again, the proviso that they got to contact an attorney. They asked me for help, and they had the complaint, they had some questions which apparently the complaint generated. They were the ones who were going to file the lawsuit. I was not. They wanted to know if they can't get these facts, what's the situation? And my analysis was, if you've got proof, as you originally claimed to me to have, of the these criminal activities, then it's -- you know, law happens to be to some degree a crap shoot, and you are going to win some and you are going to loose some. That's the nature of this thing, this legal machine. If you continue on, if you have got the guts to

persist, my opinion is, justice will ultimately prevail.

But I told him, you know, you guys run the risk. And, you know, you can strengthen your case if you have the facts regarding illegal expenditures and the criminal activities to which the funds of this charitable corporation were put. That's basically what I gave them. Again, my analysis and not to be acted on. I did not want them to go down and on their own file a lawsuit. I was relaying this information back and forth at their request. And they apparently got an attorney.

I mean, the whole thing has to be understood in the context it was a setup. This thing has no validity whatsoever. None of these documents have any validity. It's all garbage. I was asked bogus questions and the whole thing was a setup. It was pure unadulterated dirty, rotten, stinking entrapment orchestrated by their attorneys.

BY MR. COOLEY: (Continuing)

Q. Is that it, sir?

A. That's it.

(Defendants' Exhibit 900 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. I show you what's been marked as Exhibit 900 for identification. Did you write that?

A. Yes.

Q. Did you send it?

A. Yes.

Q. Did it follow the lines that are shown in the upper left-hand corner?

A. Yes.

Q. Going from you to Laurel Sullivan?

A. Yes.

Q. To the GO's office? Who is the CC?

A. CC is Controller Communicator, Comm Comm.

Q. And then ultimately to C, the Controller?

A. Yes.

Q. So that would be from you to Laurel to whom?

A. Nikki Merwin to Mary Sue Hubbard.

Q. What was the purpose in writing this letter? Incidentally, before you answer that question, there doesn't appear -- I don't have a signature on this. Did you sign this when you sent it along?

A. Well, I may have. This may be the -- a copy which was taken out of the files after I left the organization. The various points on the routing are not signed off, so I can only assume that this is, indeed, a copy.

By the way, the organization made much of this

document in my case and they had another one which was identical except for something else on it. And we got in a dispute about that, and if that's the case right now, then I'm telling you there are two documents which are almost identical. The only difference being something was whited out on one and rephotocopied. And the only reason for that was so the copy which went to Mary Sue Hubbard was a nice clean copy and not a bunch of -- you know, messy whited-out document. You probably got two. But in any case, this was one of the two that I wrote. And it is probably a copy because it is not signed.

Q. I have got two and I have the one with the whiteout, but I wasn't making any issue about that.

A. Okay. It has been made before.

Q. All I'm asking you is, when you have a document like this, that is received along the lines, do you have a signoff on it by the people who receive it?

A. Yes.

Q. Where would the signoff normally appear?

A. Well, there is two possibilities: first of all, if this document was returned to me, and I think it was, but I can't be sure at this point, it would be signed off right adjacent -- usually to the right of the post title on the routing. Like I say, this has to be the copy which I retained, because it's not signed off and I would not have

gotten it back in this condition. I definitely did send it to Mary Sue and I definitely did get an acknowledgement from Mary Sue.

Q. All right. Now, would you tell us the reasons that you sent this. What was it you were dealing with?

A. This is a briefing on the various archives that I found.

Q. Okay. Had somebody requested that you prepare this?

A. I think Laurel. And it also could be why there's a second copy, because it went up to Laurel. And Laurel, I think, sent it back down asking for some changes, some broadening, whatever it was, and she did make some changes in it.

Q. Laurel did or --

A. Well she asked me to. This is my recollection. We are talking about five years ago, but that's my recollection. I mean, I definitely wrote the thing on her request, at her instruction and there were some changes which she did make.

Q. Was this your concept of how the Archives Trust and the interrelationship between the GO and the Archives Trust should operate?

A. Well, it is included in there, especially in the last couple of pages. At this point, in October of 1980, all the legal steps had not been worked out with regards to the establishment of this trust. There was to be a trademark

trust and that was being worked out by Hubbard's attorneys in 1980, and it ultimately became a corporation known as Religious Technology Center. But I happened to have particular archival materials which we were intending at that point to preserve and perhaps showcase.

And I note here the other archives, as well: PRWW, PR Archives WW, that's world wide. It was the Guardian's Office World Wide, which is in Saint Hill Manor in Sussex. And I note here an exchange of the technical materials in my files, that's R's personal files, L. Ron Hubbard's personal files, for the non-tech materials, and C Archives, Controller Archives.

Q. I notice in the sixth paragraph on the first page you say, "In January there was a raid threat at SU and we all held a shredding party, and great amounts of old files were pushed through the paper gobbler." Do you see that?

A. Yes.

Q. Was it customary to put that shredding operation in writing within the organization?

A. No. I was out of line.

Q. I beg your pardon?

A. I was probably out of line for doing that.

Q. Does this paper qualify as completed staff work, sir?

A. No.

Q. Brenda Black is the one who gave you documents during

that so-called shredding party; right?

A. Correct.

Q. And who did she understand you worked for at that time?

A. L. Ron Hubbard.

Q. You were then in charge of the renovations or you were the assistant?

A. I was the -- I had two post titles. I was the LRH Renovations in Charge, and I was the Deputy Commanding Officer of LRH household unit, and I was the head, as the Deputy CO at Gilman Hot Springs. So I ran the household unit at Gilman Hot Springs; hence, I was Brenda's senior. Brenda was not in LRH renovations, but she had a post called the LRH Gear in Charge.

Q. Did anybody reprimand you for making that statement in writing to Mary Sue Hubbard, "...and in January there was a raid threat at SU and we all held a shredding party and great amounts of old files were pushed through the paper gobbler"?

A. No.

Q. Now, is there anywhere in here, sir, as of October 1980, that you referred in any way to any misrepresentations in the biographical history of LRH?

A. I don't think so.

Q. Had you at this time already started bringing these matters to the attention of your superiors?

A. Well, I had -- There was the matter of the dive

bomber incident, February 1980.

Q. Is that the only one you had at that time?

A. I can't say for sure. It became more significant as time went on. I rather -- This is just after, I think, signing the contract with Garrison. I may have talked to Laurel about it by this time. When I first approached Laurel about it, and she was the first one I did talk to for a long time, she took my head off. She screamed at me. And I was very much out of line and I didn't speak to her again about these things that I was finding for a long time.

Q. When did you first speak to her, roughly?

A. I can't give you a date.

Q. Was it in 1980 or 1981?

A. My guess is that it was in the latter part of 1980. But again, I can't say for sure. I never put anything in writing at that time, so I don't have any record of it. You know, I did tell her.

Q. How much time elapsed between the time she bit your head off and the time you spoke to her again?

A. Again, I can't tell you. Gradually, she was willing to talk to me about the subject. I wrote some of those things that I wrote, some of the ones that you had here, I think, during the -- her tenure. I think this 18 June '81 -- I was definitely critiquing these things during the time when she was on post.

Q. Where did you find a misrepresentation by LRH that his grandfather owned ranch a quarter of the size of Montana?

A. My recollection is that this was in the materials called the "Tomkins materials". There was a writer who had -- and this is vague, I have seen it in archives materials.

Q. Did you ever see it published anywhere?

A. I can't say for sure. I remember the quote. Anyway, Peter Tomkins was a writer who had been involved in writing a biography in the '70s, and he had written to Hubbard a number of questions and Hubbard had responded to those questions. That material is in the archives that was under my control in the organization.

Q. Now, you interviewed Mr. Waterbury, didn't you?

A. Yes.

Q. What was his first name?

A. Ray.

Q. Where did you interview him?

A. In a little town outside of Brandon, Manitoba.

Q. You talked about the ranch of LRH's grandfather, didn't you?

A. We talked -- Well, what he said was, that they had some horses, no cattle ranch.

Q. Didn't he also tell that the grandfather used to be engaged in the buying and selling of cattle?

A. That was in Nebraska, when he lived in Tilden,

Nebraska. That was prior to L. Ron Hubbard's birth.

Q. Did he tell you that in Montana they owned a quarter-section ranch?

A. A quarter section?

Q. Yes. Known as the Quarter Ranch?

A. If that was the case, if he did, it was in Kalispell. That's where he said that they had some property.

Q. In Montana?

A. Right.

Q. Didn't you, yourself, ask him whether or not there was a Quarter Ranch?

A. No, I didn't ask him that.

Q. Do you know what a section is?

A. Yes.

Q. Do you know how big it is?

A. Six hundred and forty acres.

Q. And do you know what a quarter section is?

A. A quarter of that.

Q. Didn't you learn that LRH's grandfather had a quarter section, not a ranch a quarter the size of Montana, but a ranch one quarter of a section in Kalispell, Montana?

A. Again, if I learned that, and if you have a tape on that, I would like it -- to see it, because I do not recall such a thing. I knew that they had horses in Kalispell.

Q. I'm simply asking whether you remember Mr. Waterbury

telling you that LRH's grandfather had a quarter-section ranch in Kalispell, Montana.

A. I don't recall.

Q. You have no memory of that whatsoever?

A. No.

Q. All you remember is the misrepresentation that the ranch was a quarter the size of Montana?

MR. WADE: Objection, Your Honor. I move to strike.

THE COURT: Sustained. The question is not proper.

BY MR. COOLEY: (Continuing)

Q. When did you first meet Julie Christofferson?

A. Approximately February 27th.

Q. Of this year?

A. Yes.

Q. You never knew her in 1975, 1974?

A. No.

Q. You never her when she was a member of Scientology?

A. No.

Q. You never knew her when she was taking courses?

A. No.

Q. The only knowledge you had of her was when you came here in this case, at Mr. McMurry's request, to testify; isn't that right?

A. Well, I knew of her.
Q. I mean know her personally, meet her, talk to her?
A. The first time I ever met her was as I said.
Q. And do you know whether anybody replaced you, after you left, as the biographer of LRH?
A. Again, I was not the biographer. The biographer was Omar Garrison. Omar Garrison continued on, writing the biography until sometime, I believe May or June of 1983.
Q. You have had access, have you not, to the documentation that was Mr. Hubbard's personal documentation going back virtually as far as that documentation went in his life; isn't that a fair statement?
A. Yes.
Q. You had his personal correspondence with his wives?
A. Yes.
Q. As you have testified?
A. Yes.

MR. WADE: Your Honor. Objection; asked and answered. We went through this at the beginning, the first day of cross-examination.

THE COURT: We are doing it again, Mr. Cooley. We are covering the same ground.

BY MR. COOLEY: (Continuing)
Q. You have testified --

THE COURT: Let me make the ruling for the

record.

Sustained.

MR. COOLEY: I assumed that was the ruling.

THE COURT: That's the ruling.

BY MR. COOLEY: (Continuing)

Q. You have testified here at great length that L. Ron Hubbard betrayed you; that L. Ron Hubbard is a fraud; that L. Ron Hubbard was an evil man and did to you things that he shouldn't have done. Do you think that you betrayed L. Ron Hubbard in any way, Mr. Armstrong?

A. That's a difficult question. I suppose in his mind, I did.

Q. How about in yours?

A. I probably betrayed him when I didn't slap him down the first time I saw him victimize people. We all should have.

Q. Have you made up your mind, sir, whether you hate the man or whether you love him?

A. I think that's inappropriate Mr. Cooley.

Q. Well, on the question of bias, sir, I think we are entitled to know.

A. And I have said before, it's a complex issue. My relationship to L. Ron Hubbard continues to be a complex issue. There is simply no way that I can look at it rationally and say that he is the victim. He victimized

countless people. He set up his own mind to do that. In his own handwriting he wrote that "all men are my slaves." That's shocking material, and that's how he acted. He's an amoral man, he's hurt a lot of people, a lot every people are victims, and he's not.

So do I hate the man? I really don't think so. I think that -- You know, I gradually extricate myself from the Hubbardian morass in which I find myself. My particular relationship to him is, perhaps in his eyes, one of Judas; in my eyes I think it's something else. I would like the whole thing to resolve. In actual fact, you see, when we were in the organization, we perceived him as something different. Now I perceive him as exactly the same. But I am here and he's not. And that's an essential difference in this relationship, because the man is, any way you slice it, a coward.

Q. I notice, sir, that so many of the communications that have gone in here, signed by you and communications that went to you, whether they were from LRH or from others, were signed love or much love. Was that a practice in Scientology?

A. It's a practice. It's not a reality. It's probably the only group in the world in which love is not allowed to exist.

Q. So when LRH would sign a letter to you or a communication to you, love or much love, that was --

A. It was a rubber stamp.

Q. And when you did it, it was the same?

A. I didn't even question it. He set the practice, I followed whatever he set.

Q. When you signed a communication to him much love, did you mean it or didn't you?

A. If you didn't sign much love, then people would be questioning where your loyalties were. Were you counter-intention? It grew more bizarre through the ages, to a point where there was much, much, much, much, much love. There was a scale of responses from L. Ron Hubbard: much love; love; best; just, R. If you ever just got an R or best, you knew you were in deep trouble on a communication. And gradually there was no much love in 1971. By 1981, there was all much love, and there wasn't much love.

Q. Have you attempted here to give a fair, unbiased presentation of your life in Scientology and of L. Ron Hubbard's effect on your life?

A. Again, that's a difficult question because my life in Scientology is so incredibly emotionally charged, and my connection to Hubbard is likewise. I have tried. I'm in a situation where I'm asked questions which are going to elicit a fairly charged answer. You are asking me areas and he is in the relationship as an attacker. He's there to --

Q. You mean me, sir?

A. That's correct. -- for the organization to destroy me. And I have tried to give you the truth. And I've tried to -- without coming completely apart to give you the picture as I see it.

Q. Can I ask you one final question?

A. Go ahead.

Q. I'm just going to ask you one final question, sir, and then I'm going to let you go.

Was there no good in it at all for you in all those years?

A. The good in Scientology -- In my opinion, Scientology is an illusion. There is nothing there; there's no substance to it. But there are hundreds, thousands of really good people.

Q. That are Scientologists?

A. Yep.

Q. And that were your --

A. And the good things in Scientology -- anything done that was good in Scientology was done by individually decent, good people.

Q. Who follow L. Ron Hubbard to this day, sir.

A. They do that.

MR. COOLEY: I have no further questions.

- - - - -

THE COURT: Redirect.

MR. WADE: Thank you.

REDIRECT EXAMINATION

BY MR. WADE:

Q. Mr. Armstrong, you mentioned reading something in Mr. Hubbard's personal hand where he stated, "All men are my slaves." When did you read that?

MR. COOLEY: Your Honor, now Mr. Wade understands the Court's ruling in this regard.

THE COURT: Let me see the lawyers just a minute on this.

(Following proceedings held in chambers.)

MR. COOLEY: You looked at me when this witness volunteered that.

THE COURT: I did.

MR. COOLEY: He dragged it in. It was something -- he knew what he was doing. It wasn't responsive to the question I asked.

THE COURT: You see, Mr. Wade, the problem with that is that wasn't really an answer to the question. I know my ears perked a little bit because that statement is part of some of the stuff under seal.

MR. McMURRY: The question was, "Do you feel you betrayed L. Ron Hubbard?" If that doesn't call for a charged answer and an open-ended question, I don't know what does. It's not even a proper question, but that was the question.

THE COURT: The question could be answered yes or no.

MR. COOLEY: Indeed. He said in a sense he probably did, by not punching him out, he said in substance.

THE COURT: You know, I feel sorry for this guy Armstrong, but on the other hand, in all

fairness, I don't think Mr. Cooley opened that up to him.

MR. WADE: Well, he's been asked, "Do you think that L. Ron Hubbard" -- two questions -- "He betrayed you?"

THE COURT: He answered that quit well, I thought.

MR. WADE: "Did you betray him?"

THE COURT: And he answered that quite well, I thought.

MR. WADE: And the testimony from the Armstrong trial, the last betrayal and the straw that broke the camel's back, the reading of the admissions or the affirmations. After reading that, Mr. Armstrong understood the intent of everything that had been done to him. The why. Something so important in Scientology. The why. Why are we getting all these lies? Why do we have the RPF? Why do we have all these things that looked upon from at lleast one viewpoint, these horrible things? And in that he saw why.

THE COURT: Did those come into the Armstrong case, the declarations?

MR. WADE: He read --

MR. COOLEY: They didn't come in at all.

MR. WADE: Your Honor, I will be back in two minutes. He read them and I have the parts he read with me.

(Documents handed to the Court.)

THE COURT: What is all this?

MR. WADE: Those are excerpts from the Armstrong case, Your Honor, the transcript.

THE COURT: I have to read it. Let me tell Lois to take the jury out.

It jumps from fifty-one to sixty.

MR. WADE: The only parts I brought, Your Honor, are the parts in which he is discussing the abuse. I can read the entire transcript. I also have fifty-four.

THE COURT: They did read it.

MR. WADE: Yes, they did.

THE COURT: Well, I didn't know Judge Breckenridge would allow them to read that stuff.

MR. COOLEY: In any event --

THE COURT: I don't know how it came in.

Tell me what you are trying to do, Mr. Wade.

MR. WADE: Well, Your Honor, when he asked that question, the questions concerning betrayal, that is the ultimate betrayal of Mr. Hubbard, of Jerry Armstrong, and of the organization. The

organization was set up by Mr. Hubbard and we have the Helen letter and the testimony and other testimony --

THE COURT: I wasn't aware that you were aware of what was in the declarations and --

MR. McMURRY: We have urged you, Your Honor.

MR. WADE: What I am aware of is what is in the transcript. I have never seen the declarations, but I've seen the Armstrong transcript where they are read from. What Judge Breckenridge did, he allowed those quotations in as evidence, and allowed no other part of the affirmations. I don't even know if the other part was offered. But I do know he allowed this part to be read.

THE COURT: But on what legal basis? Now, I have told you, I yet don't see Mr. Cooley opened that up.

MR. WADE: I think he opened it up when he talks about betrayal. "Did you feel that Mr. Hubbard betrayed you?"

MR. COOLEY: He said yes. He gave his answer.

MR. WADE: He said, yes, he did. And on redirect, I'm allowed to ask, "Why do you feel Mr. Hubbard betrayed you?"

THE COURT: And what do you anticipate his

answer to that to be?

MR. WADE: I think his answer will be a long answer and I think it will include some of this.

MR. COOLEY: They want to bring out these things, Your Honor, which you said aren't going in. You may recall we had a talk about this a week or so ago and I would have felt uncomfortable because I felt that those were hanging over my head and the Court said, "They are not coming in, is that clear enough?" I said, "That's clear enough."

I have tried very hard. It's a difficult thing to do to cross-examine an adverse witness without encroaching into that area. I tried very hard not to do it. I think the attempt to get into it now is not appropriate. Certainly in -- I can't imagine a witness whose had a greater opportunity to explain his side of the story on his cross-examination than this witness. I think the matter is in a posture now where a jury can decide what weight to give to his testimony. He has -- he's gotten in plenty of material and I think the matter ought to stand there.

MR. WADE: Your Honor, we understand the Court's reluctance because of the Court's belief in privacy. We also think it's very important evidence

and it should be balanced against that. We have also seen witnesses who we have called who have had information from security checks, from reports and overts and withholds in which they confess alleged crimes against Scientology. We have had materials produced which show PC folders have been culled. The Court has as a Court Exhibit documents not only of the witnesses, but of Miss Titchbourne which shows -- those are Scientology documents, which show that the PC folders have been culled.

So the witness is called by the plaintiff are asked questions concerning the most intimate and private details of their lives because the Court has ruled that the relevancy outweighs the privacy. And why is Mr. Hubbard get a protection? A man who hasn't even shown up in this courtroom, get a protection that exceeds that of the witnesses who have the courage to come up here and testify for the plaintiff who don't even have a stake in this case?

MR. COOLEY: Number one, Your Honor, I have used absolutely no material from any PC file. I have never seen a PC file. To show you the extent to which this witness was protected, and that was because of my understanding of the Court's sensitivity to certain matters. This man's

application for membership in the Guardian's Office, which he admitted filing, I didn't even use. They know full well what's in that application.

THE COURT: I do, too. Now that I have gone through all those boxes.

MR. COOLEY: Yes, you have seen that, then. And you know I didn't even attempt to use it. And this was material in there that was -- that was as bad as some of the material that you have got under seal. In respect for --

THE COURT: In a different sense.

MR. COOLEY: In a different sense. But out of respect for the Court's sensitivity in that regard and what The court did with it, I didn't touch it with a ten-foot pole. And they know it. There are many things that I could have done to this witness that I didn't even touch.

THE COURT: I will represent to you, both, Mr. Wade and Mr. McMurry, there are things there that Mr. Cooley could have used. I probably would have gotten very upset if he had tried it. He didn't try it. Matters pertaining to Mr. Armstrong's youth, some activity that -- well, we won't even discuss it.

MR. COOLEY: We know what they are. And I

respected what the Court has said over the -- these weeks in connection with these things and I said, "I'll leave them alone. I'll leave those things alone."

THE COURT: To the extent that anything further this witness has to say and as it regards this case, and the representations made to Julie Christofferson, and the conduct of which she has knowledge, I think this witness has fully testified to. I think he has been, and been able to explain thoroughly, his feelings towards the Church. If we were to go over the line now on matters which have no bearing, they don't bear on any theory that has been advanced in this case.

MR. WADE: We will withdraw the request.

THE COURT: Okay. They go to the very heart and soul of what -- well, that's all I want to say about it. It takes more people than us in a different case to look at that stuff. That's my opinion. Right or wrong, you know, you can leave it and me deny it and if you want a appellate court to look at it, they will.

MR. McMURRY: We withdraw the question.

MR. WADE: We withdraw it.

THE COURT: Fair enough. Thank you.

(Recess taken at 3:07 PM and court reconvened at 3:19 PM. Following proceedings held in the presence of the jury.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, are you familiar with the representations that L. Ron Hubbard retired from the Church of Scientology in 1966?

A. That he retired as Director of Organization; that's correct.

Q. Are you familiar with any representations concerning whether or not he was controlling the Organization since 1966, that were made by the Organization?

A. I know that while I was in, there was a continual denial of his control of the Organization.

Q. With respect to your relationship with Mr. Hubbard, you testified on direct examination that Mr. Hubbard had assigned you to the RPF, and you were cross-examined at length about whether or not you had any documentation concerning that. I would like to have this marked as Plaintiff's Exhibit.

(Plaintiff's Exhibit Nos. 262 and 263 were marked for identification.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, first, do you know where these documents were obtained?

A. There is -- They are the type of documents that would have been, first of all, Ethics file, and they were produced as part of the B1 file materials. They are referenced in the time track in the B1 file.

Q. They were produced by the defendants?

A. That's correct.

MR. WADE: We will offer Plaintiff's Exhibits No. 262 and 263, Your Honor.

MR. COOLEY: I have no objection.

THE COURT: Received.

(Plaintiff's Exhibit Nos. 262 and 263 were admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Will you please read to the jury, Exhibit 262.

A. "Flag Conditions Order 4517, dated 1 July 1976, Flag only. RPF assignments. By order of the Commodore, Gerry Armstrong" --

Q. Who was the Commodore, again?

A. L. Ron Hubbard.

Q. Would you begin again.

A. "By order of the Commodore, Gerry Armstrong and Terri Armstrong are assigned to the RPF effective on return. They may have a Comm Ev if desired. The charges would be (1)

insubordination, (2) neglect of duty, (3) case on post. LRH Pers Comm for the Board of Directors."

Q. I think you testified, is this the time you talked back to Nikki Merwin who was Mary Sue Hubbard's communicator?

A. Correct.

Q. What neglect of duty was there?

A. The charges such as this are very broadly interpreted. And I never got into how it was construed, but I suppose it's that being a Sea Org member I have a particular duty to obey my seniors without question, and I did not do that.

Q. For this, how long were you ordered to the RPF?

A. Well, I was ordered to the RPF until complete. I spent a total of seventeen months in the RPF.

Q. Would you please read to the jury -- first explain what Exhibit 263 is and read it to the jury.

A. "Ethics Order 24, area estates." The area estates was in Clearwater and it was the part -- the part of all the various organizations that were in Clearwater that dealt with the buildings, care of the buildings, cleaning, and the dining rooms, stewards and that sort of thing. The RPF was underneath the estate's personnel.

"Ethics Order 24, area estates, 17 August 1976. Flag only. Additional RPF duty. Terri Armstrong and Gerry Armstrong are each assigned an additional month in the RPF for

criminal neglect to put it there. Further FO 3434 series" -- FO is a Flag order. The FO 3434 series was a series originated in January of 1974 and continuing through perhaps until today, and it established the RPF and described what the conditions were to be and what it took to get out of the of the RPF. So RPF for criminal -- additional RPF for criminal neglect to put it there, per their FO 3434 series duties as RPF bosun and RPF MAA. I was the bosun; the bosun is the person within the RPF who is the in charge of the RPF. Terri was the MAA, Master at Arms, person in charge of the ethics of the group.

"The slackness in the RPF organization and production, which existed up until a few days ago and of which the tag ends are still being found and having to be handled, has delayed redemption of those in the RPF and caused Dev T" -- Dev T is a term meaning develop traffic, and it's a thing which slows down production. It's anything which is a deviation or impediment to production -- "and caused Dev T Senior Executives and the Commodore's Mission FMO 1672" -- that's Flag Mission Order 1672. It's "Barbara Price, LRH Comm Estates."

Q. Mr. Armstrong, in non-Scientology terms, will you tell the jury what you did to get another month in the Rehabilitation Project Force?

A. This was assigned because, as it says here,

"slackness." I was not ruthless enough in running the people in the RPF. I had under me at that time probably ten people. And the flap which happened was, one of the people left the assigned area at the wrong time and went to see her little child, and she was spotted by an Organization staff member. We were not considered staff at the time; we were second class citizens in this penal colony. And that was the incident on which this additional month duty was based.

I didn't in fact do the additional month because of heroics of the RPF in saving a bunch of material when one of the buildings burned in Clearwater. So later on, it got canceled.

Q. In the discussion concerning questions concerning the dive bomber, you mentioned the Safe Environmental Fund. I believe the dive bomber was going to be shown to raise money for the Safe Environmental Fund; is that correct?

A. It was Safe Environment Fund. Safe Environment Fund was a fund established to raise money for the defense of the eleven top Guardian's Office personnel, including Mary Sue Hubbard, who ended up being convicted in the Federal Court. And, yes, the dive bomber, someone got the idea of showing the dive bomber as being LRH's movie and charging admission and making money that way from the Scientologists who would come to the movie.

Q. There was one document. There were questions to you

concerning when you were the Port Captain and work at Dunedan. Would you please hand Mr. Armstrong Plaintiff's Exhibit 204.

(Plaintiff's Exhibit No. 204 handed to the witness.)

MR. WADE: 204 was marked but never offered.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, do you recognize Plaintiff's Exhibit No. 204?

A. Yes.

Q. What is it.

A. This is the checksheet to what was called Information Full HAT. This is the HAT or training manual for Intelligence personnel in the Guardian's Office.

Q. When did you first see this?

A. In the Port Captain's office when I was the Director of Intelligence in 1974, '75.

MR. WADE: Your Honor, we would offer Plaintiff's Exhibit No. 204.

MR. COOLEY: I object to it, Your Honor, as being irrelevant to anything brought out on cross-examination. This we saw when Mr. Walters was on the stand.

THE COURT: It's a new exhibit.

MR. COOLEY: I think I objected to it then, as well.

THE COURT: I'll overrule the objection. It's received.

(Plaintiff's Exhibit No. 204 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, would you take a look at the first page and read the definitions under Part Al, and also read what the person is supposed to do concerning these definitions under Al.

A. Okay. "Part A, the Information Bureau, (1) get the definitions of the following words, use them in sentences until you have them conceptually, look them up in several different dictionaries: spy, spying, agent, operative, information, intelligence, espionage, counterespionage, counter intelligence, fascism, socialism, communism, CIA, FBI, MI 6, MI 5, KGB, GRU."

Q. Would you then read, number two, what the topic of the essay to be written by the person taking the Intelligence course, what he is supposed to write an essay about.

A. "Essay. The differences and similarities of intelligence, counterintelligence, information, spying, espionage, and counterespionage."

Q. I would then like you to look through the rest of document. Let me ask you a few questions about it. How was this document used by the Organization?

A. This is a training -- It's a course. It's a course which is --

MR. COOLEY: I object to the lack of proper foundation, Your Honor.

THE COURT: Lay a foundation.

BY MR. WADE: (Continuing)

Q. Do you know how this document was used by the Organization when you were in the Church of Scientology?

A. Yes.

Q. Would you explain to the jury how it was used.

A. This is a course which was given to personnel in the Intelligence Bureau of the Guardian's Office. It was to train them in the subject of intelligence, and that's broadly including espionage, counterespionage, and so on. All the covert activities of Bl, Intelligence Bureau. Also the Director of Information, Director of Intelligence in the Port Captain's office, used the same manual.

Q. This is a manual that was used to training intelligence agents in Bl?

A. That's correct.

MR. COOLEY: I object. This man was never in this Bl of the GO.

THE COURT: You will have to lay a foundation for that question, too.

BY MR. WADE: (Continuing)

Q. With respect to the time you were in the Port Captain's office, did you have Guardian's Office B1 duties?

A. Yes. The Guardian's Office at that time, when I was the Director of Intelligence, fell under the Guardian's Office, which had recently been installed onboard. The Assistant Guardian for Intelligence was Brian Rubineck; He was my direct senior for many matters. I also had another senior, that was John Danilovich, who was the Port Captain.

This particular HAT pack came from Brian Rubineck, who was the Assistant Guardian to Intelligence, and given to the Port Captain's office by Brian Rubineck when he came onboard.

Q. Would you then turn to Page 8, please.

A. Okay.

Q. What is the title of the new section at Page 8?

MR. COOLEY: Your Honor, may I ask a question in aid of an objection, please?

THE COURT: You may.

VOIRE DIRE EXAMINATION

BY MR. COOLEY:

Q. Mr. Armstrong, did you do all of the things set forth in that exhibit?

A. No.

Q. Did you write the essays and read the books and do everything there that you are commenting on?

A. I have read, I believe, almost all the books.

Q. Did you write any of the essays?

A. No.

Q. Did you take the -- what do they call it? -- the full HAT course?

A. No. I had all the material. I had it in various forms. There were three packs of it. I did not do the full HAT.

MR. COOLEY: I object, Your Honor.

THE COURT: Overruled.

CONTINUED REDIRECT EXAMINATION

BY MR. WADE:

Q. Would you please read what I believe is Section 4 on Page 8. What is the title?

A. "Section 4: Covert Data Collection."

Q. Would you now read from Part A and read the heading of Part A and also the first paragraph.

A. "Part A: The Spy and His Masters, by C. Felix."

Q. Is that a book?

A. Yes. There was a list of books which were in the Port Captain's office, and this was the LRH recommended books on intelligence. This one here is by Christofferson Felix. This is one of them. There's a number of others mentioned in here.

Q. Would you then read Paragraph 1.

A. "Look up in a big dictionary, use in sentences, demo kit, and get conceptually the following words." A demo kit is a number of little objects -- it could be keys, rings, money -- that you can demonstrate a particular function or thing, using these little items. The terms are: "spy, master, cover, cut out, secret, drop, case officer, clandestine, covert, conspiracy, confidential, motivation, sleeper."

Q. The last question I'm going to ask you about this, and it's quite lengthy, but I would like to ask you if you can go through it and see if there are any Executive Directives, Policy Letters, dispatches or notes from L. Ron Hubbard which are studied by the person to learn about these clandestine and covert operations.

A. There is really quite a few, beginning on -- Page 2, these in-fill letters. Do you want me to -- read off this litany? Ron's journals? If you want to isolate it simply to -- there's LRH EDs that go on and on and on.

Q. I have noticed that on Page 2 there are ten or eleven.

A. On Page 3 there's another dozen or so.

Q. That's sufficient for now, Mr. Armstrong. Thank you.

MR. WADE: would you please hand Mr. Armstrong Plaintiff's Exhibits No. 257 through 261.

MR. WADE: I would like to start with 257.

MR. COOLEY: Have these been marked, Your Honor?

THE COURT: Yes, they have been marked 257, 258, 259, 260 and 261.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, could you explain what 259 through 261 are.

A. 257.

Q. Excuse me, 257.

A. 257 is the product of a mission which I was on as the mission second, along with John Danilovich as the mission in charge in 1974 when we went from Lisbon, Portugal, to -- first of all Vigo in northern Spain, and then La Coruna, and it contains the mission orders on which we were briefed and fired. And it contains the various actions which we took in securing a ships chandler, ships agent; contacting the port authorities, customs and that sort of thing, in order to pave the way, grease the lines for the arrival of the ship. It was the first time the ship had gone to those ports.

We had been in the south of Spain in 1973 and we were running out of ports, because it was quite a hot situation in Portugal at that time, and there was a feeling amongst the locals that we were somehow an intelligence operation. They thought we were the CIA. We were something else.

So this contains all of the documents which we

acquired along the way. I believe that there is in here is a contract which we signed with the shipping agent -- ships agent, and all the documents which we obtained, and all the correspondence which would be in the form of telexes between our mission and back to the ship. We were in continual daily telex communication to the ship. And also we wrote what are called daily reports. Each day on a mission, you are required to write a daily report of all the activities of that day. Any problems run into and that sort of thing. That's what this is.

Q. That's one mission and I think we have marked other mission operations. FMO, what does FMO mean?

A. Flag Mission Order?

A. Yes.

Q. We have numbers on these and there are also codes. Do you have any idea what the codes mean?

A. It probably comes from the mission title itself. And it would be included in the telex communication. Code PLP. So if there is any communications in here, then they will have a PLP designation indicating they are from that mission. The reason for that is the ship, wherever the telex machine that the ship was using, they received a telex communications from many countries, all throughout the day, so to keep telexes straight, you put the particular code, the designation for that mission, in the telex.

Q. Now, these were all missions that you were involved with?

A. Yes. Mission La Provincia --

MR. COOLEY: What exhibit is that?

THE WITNESS: 259.

MR. COOLEY: Could we take them in order.

What was 258, Mr. Wade?

MR. WADE: 258, FMO 1362, Mission Spanish Ports. We will get to that, soon.

BY MR. WADE: (Continuing)

Q. Why don't you identify 259 and we will go through first and identify all of them.

A. Okay. 259, unless the other documents are here, it appears to be a part of FMO 1396, and this mission had to do the dead agenting of a newspaper in Los Palmos, in the Canaries, and I was in charge of that mission and it had to do with hiring an attorney. But it's only a partial file.

Q. What you are saying, not all the file has been presented?

A. No. There should be a great deal more than this. The various ports and so on.

MR. COOLEY: What's the title of the mission, Your Honor? I didn't hear it.

THE WITNESS: Mission La Provincia.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, could you take a look at Exhibits 260 and 261 and just for the record, in a very summary fashion, identify what they are.

A. Hold on a second. These two go together, this is 259. This one here is a separate mission, 1402. And this is a separate one again.

Q. We should mark these differently, then?

A. Yes.

Q. I will mark these two separate numbers.

A. Number 260 is Flag Mission Order 1407, and I'm the in-charge of this mission and my second was John Danilovich, and this has to do with going to Bermuda and then on to the Bahamas to secure more ports for the ship, which had then been forced to leave the -- leave Europe. We had run into problems on the mainland in northern Spain and then in the Canaries, and then in Madeira, and there was virtually no ports available to us. And the ship was forced to come across the Atlantic to the Caribbean. And I flew ahead with John Danilovich and set up these ports. That's what this mission here is all about.

Q. Mr. Armstrong, will you now look at 261.

A. 261 is FMO 1427, and this is a mission that I did in -- I think it was November, 1974, and my second was Jim Ward, and this was a mission to Jamaica to, again, find a port into which the ship could go.

(Plaintiff's Exhibit 261-B and 261-C marked for identification.)

BY MR. WADE: (Continuing)

Q We have marked two additional packets. This is 261-B and this it 261-C. Would you explain what those are.

MR. WADE: Would you do me a favor. Refrain from the Bs and Cs. We have enough problems with the numbers, let alone Bs and Cs.

THE WITNESS: Hold on. I think you have 1407 in there somewhere else.

MR. WADE: Right. Right here.

MR. WADE: 261-B will be included in 260, Your Honor.

THE COURT: We have a terrible record. Can we forget 261-B in its entirety.

MR. WADE: We can forget 261-B.

THE COURT: And now it's 260?

MR. WADE: It's just part of 260, Your Honor.

THE COURT: All right. Now how about that other letter?

MR. WADE: What we can do with 261-C, why don't we renumber that the next number and that will become 264, Your Honor.

(Plaintiff's Exhibit 264 was marked for identification.)

MR. WADE: We offer Exhibits 257 --

BY MR. WADE: (Continuing)

Q. Before we do that, I would like you to identify Exhibit 258, if you can, Mr. Armstrong.

A. 258 is FMO 1362, Mission Spanish Port Setup, and this time it's to El Ferrol. And El Ferrol was a port north of Vigo and La Caruna and we did a mission, John Danilovich and I, to this port, again, to set up the port just after we completed the Vigo and La Caruna mission. This was a failed mission. They did not allow us to come into the port because of our troop, our music troop. And somewhere in here would be an issue from Hubbard, if it hasn't been taken out, which will explain all that. It's not here.

Q. Thank you. Take a look at Exhibit 264 and identify that, please.

A. 264 is FMO 1402 called Mission Car Services. The in-charge was Burt Rousseau and I was the second. And this had to do with -- I was taking care of the legal steps necessary for the importation of Hubbard's cars into Portugal. It was in September-October 1974. The cars -- I had had them stored in Portugal for probably a year or more prior to that, but he was not able to drive them because they were not imported and so we were taking the necessary steps to legally import them into the country. That was my part of the mission. The other person, Burt Rousseau was, in fact, then

on a post called LRH Transport. He was in charge of transport of Hubbard's cars. So he was taking care of the servicing of these vehicles and I was taking care of the legal steps.

MR. WADE: Your Honor, we would offer Exhibits 257 through 261 and Exhibit 264.

MR. COOLEY: Objection. Beyond the scope of cross. Being offered on an undifferentiated mass basis, the file's are full of individual pieces of of paper, none of which have been examined by the court or by counsel. They would have to be marked individually if they were relevant and otherwise admissible. There must be a thousand pieces of paper up there. And I object on the ground of relevance, lack of foundation and beyond the scope of direct -- cross-examination. And being offered in an improper manner in that it's a big file folder without the individual documents being dealt with.

MR. WADE: Your Honor, with respect to the timing, they were not produced until yesterday.

THE COURT: I understand that.

MR. WADE: It was impossible for us to produce them before. We are offering them for a variety of reasons.

THE COURT: Why don't you tell me what it is out of the presence of the jury.

MR. WADE: I will, Your Honor. The jury is going to go home.

Well, I understand we are the last ones working in the building anyway and I just signed an affidavit releasing a grand juror and the deputy came down and said this is the last judge they could find. I was the last judge.

So there is no use for you to stay. Have a nice weekend. Please remember all my cautionary instructions. It's Friday night. Do you want me to go through them all?

All right. Have a nice weekend. Leave your notes in the jury room. We will see you Monday morning at 9:30.

(Jury was excused. Following proceedings held in open court.)

THE COURT: I have heard his objection. The problem we seem to have is there could be a valid objection. I don't know. I'm not saying there is. There could be a valid objection to some piece of paper or papers in those files. I don't know. But what we are introducing is a bunch of papers without really being authenticated by this witness that each one is part and parcel of what he did.

MR. WADE: With respect to --

(Following proceedings held in the presence of the jury.)

MR. WADE: May Mr. Armstrong take the stand, please, Your Honor?

THE COURT: Mr. Armstrong.

(Witness resumed the witness stand.)

THE COURT: You are still under oath.

CONTINUED REDIRECT EXAMINATION

BY MR. WADE:

Q. Mr. Armstrong, when was it you left the Church? What date?

A. The last time I walked out of the organization was December 12, 1981.

Q. You mentioned that you were sued by the organization. When was that case tried?

A. The first actual day of the trial was a bunch of pretrial motions and that sort of thing which went through March into April, and we got started, I believe, at the beginning of May, 1984.

Q. When did that suit end?

A. Beginning of June, 1984.

Q. And the Church of Scientology of California, was that the plaintiff in the case?

A. Yes. Church of Scientology of California was the plaintiff and Mary Sue Hubbard intervened, so she was also one

of the two plaintiffs in the case.

Q. When was the decision rendered by the Court in that case, do you remember?

A. I think it's the 22nd or 23rd of June, 1984.

Q. In that decision, would it be fair to say that the Church lost the suit?

MR. COOLEY: I object.

THE COURT: Sustained.

MR. COOLEY: I ask that the jury to disregard the question, Your Honor.

THE COURT: Please disregard that, members of the jury.

BY MR. WADE: (Continuing)

Q. When did you first get the call concerning your PC folders?

A. It was sometime prior to the -- a few days prior to the decision which came down in my case.

Q. Was there a period of time, then, between the end of testimony and the judge's decision?

A. There was a -- somewhere between two and three weeks, and I left the day that the decision came down, to London, England, and it was prior to leaving for England and after the trial ended, and it was -- I would say within a day or within two days of the date of the decision. It was approximately the 20th, 21st of June, 1984.

Q. Mr. Armstrong, after the decision, you testified about, in fact, two tapes had been made concerning meetings with a Joey -- someone you knew only as Joey. And I think you also testified that you had been contacted by other people concerning this alleged Loyalists group, it wanted to reform the Church. You testified about a meeting that was held in a hotel room, I believe, and a meeting with an attorney who was supposed to know be an attorney for this group. You also testified about meetings with a Mr. Rearden?

A. Rinder.

Q. Is it Mr. Rinder? And those meetings, I believe, took place on November 17 and November 30, 1984?

A. The only way I can date them is that they came after the meetings with Joey, and the dates of November 17 and November 30 are the dates provided by the defendants' counsel, Mr. Cooley.

Q. Have you ever seen any videotapes or transcriptions of those meetings?

A. No.

MR. WADE: Your Honor, we would offer to show, at this time, videotapes of those two meetings which we have obtained from the defendants.

MR. COOLEY: These are the tapes that we produced to the Court last week, Your Honor. We join in the request they be shown to the jury.

THE COURT: All right. They have numbers somewhere.

MR. WADE: They are Exhibit 897 and 898, Your Honor.

THE COURT: Are you offering those at this time?

MR. WADE: We will offer 897 and 898, at this time, Your Honor.

THE COURT: And if I understand you, Mr. Cooley, there is no objection.

MR. COOLEY: Yes. Those are defendants' exhibit numbers, Your Honor.

THE COURT: Yes, I see them.

897 and 898 received.

(Defendants' Exhibits 897 and 898 was admitted into evidence.)

THE WITNESS: Your Honor, if I may say something.

THE COURT: No. I just don't know what you are go going to say, Mr. Armstrong.

THE WITNESS: I just --

MR. COOLEY: I request Mr. Armstrong not to say anything, Your Honor.

THE COURT: Why don't you let me handle it.

MR. COOLEY: I'm sorry, Your Honor.

THE COURT: We just can't do it that way, Mr. Armstrong. If the lawyers have something they wish to ask of you, they can. Do you understand the system just works this way on the basis of questions and answeres, and otherwise, you can see how disarrayed we could get quite quickly.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, with respect to the showing of these tapes, are you somewhat concerned about waiving any rights you might have against the people who made the tapes?

A. Yes, I am.

MR. WADE: Your Honor, we are offering those, of course, without waiving any rights that Mr. Armstrong would have against the people who made the tapes.

THE COURT: All right. That's understood.

By accepting these, I'm not considering it a waiver of anybody's rights.

MR. WADE: Would you please hand the witness Exhibits 893 and 894. I believe those are Court Exhibits.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, can you identify to the jury what Exhibit 893 is.

A. I have never seen it before, but I can now describe

it.

Q. Would you please describe it.

MR. COOLEY: I object. This is a Court Exhibit, Your Honor.

MR. WADE: Your Honor, we will offer 893 and 894, which lists the name of the private investigator who was involved in the obtaining of these tapes.

THE COURT: How that is relevant for this jury's determination of what's on the tapes?

MR. WADE: I think when the jury sees the tapes and that private investigator's name, in fact, has been mentioned --

THE COURT: Wait, wait, wait. Let me hear this outside of their presence.

(Following proceedings were held in chambers.)

MR. WADE: Your Honor, on the tapes Mr. Ingram's name was mentioned many times. It has been also on the two other tapes the jury has heard, as a private investigator who has been working for the Church of Scientology and also is the man who told Mr. Armstrong he would put a bullet between his eyes. In fact, on the tapes, themselves, Mr. Armstrong on the second tape today discusses that.

I think it's relevant to the jury that the person who was making these tapes was Mr. Ingram, that very same person who told Mr. Armstrong on the telephone conversation that he was going to get him.

MR COOLEY: I have no objection to the Court informing the jury that counsel by stipulation, that Mr. Ingram was the private investigator that did the taping.

THE COURT: What we are getting into here is a collateral matter of Rodriguez's authority to issue it.

MR COOLEY: Purely a legal matter. The fact that Ingram did the taping, I have no problem with that.

MR. McMURRY: We want to offer the Court's exhibit into this record. We are not authenticating the accuracy of this tape, whether it has been spliced, whether it's in the entirety. We are not doing any thing of the sort. We have a right, it seems to me, in the rehabilitation to say these are some additional tapes we want to the show you and this is the basis upon which they were taken, i.e., authorization of Ingram from one Mr. Philip Rodriguez. We are not arguing we think that the predicate should be played not as our exhibit, but

we want a right to rehabilitate the witness.

THE COURT: I can tell them that.

MR. COLLEY: If they want to show that it was done under the authority of a Los Angeles police officer by Eugene Ingram, I have no objection.

MR. McMURRY: This is the evidence that was submitted to this Court by Mr. Peterson. Now, it should be part of the exhibits in this case. It shouldn't be something that's kept out. This goes to the exhibit.

THE COURT: It does nothing more than what I would tell them anyway.

MR. McMURRY: That's right.

THE COURT: Okay go ahead. I just don't want to get off on a collateral issue whether Rodriguez had authority or did not have authority.

MR. McMURRY: He cant't testify to that.

MR COOLEY: We have no objection if the letter is read in its entirety to the jury, both letters.

(Following proceedings were held in the presence of the jury.)

MR. WADE: We will again offer Exhibits 893 and 894, Your Honor.

MR. COOLLEY: No, objections, Your Honor.

THE COURT: They will be received.

(Plaintiff's Exhibit No. 893 and 894 were admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, who is the private investigator who was in charge of making the tape recordings which we have seen and which we will see?

A. Eugene M. Ingram.

MR COOLEY: Your Honor, may those exhibits be read to the jury, please?

MR. WADE: Your Honor, if on recross he wishes to read them, he can read them. At this time I would like to get on and give them the tape show.

MR. COOLEY: Your Honor, the exhibits have been alluded to in part. I suggest they be read in their entirety to the jury.

THE COURT: For purposes of clarity, once and for all, read so the jury understands what's going on; read the letters to the jury, please.

THE WITNESS: There are two letters. They are identical except for the dates. The first one is dated November 13, 1984; the second one, November 28, 1984. The first one covers a period of November 15 through November 21, 1984, and the second one covers a period from November 30 through December 7,

1984. The first letter reads: "Eugene M, Ingram, Ingram Investigations; California license No. AA9387; 1212 North Vermont Avenue, Los Angeles, California 90029.

"To Eugene M. Ingram, private investigator, from Philip Rodriguez, police officer, Northeast Division, City of Los Angeles. I hereby direct Eugene M. Ingram and his employees, agents or other persons acting under his direction, to intentionally and without consent of all parties to a confidential communication by means of any electronic amplifying or recording device, eavesdrop upon or record such confidential communication whether such communication is carried on among such parties in the presence of one another, or by means of a telegraph, telephone or other device, for the period November 15, 1984, through November 21, 1984. Provided however that if recordings are accomplished on any day during the above period, Eugene M. Ingram is to report the results to me for further direction by me.

"This authorization shall specifically pertain to the investigation of Gerry Armstrong, Michael J. Flynn, and others not known at this time, regarding possible criminal violations of but not

limited to, California Penal Code, Section 664, attempts, Section 134, preparing false documentary evidence, Section 182, conspiracy, and or any other violations of criminal laws.

"This authorization is in compliance with California Penal Code, Section 633. Signed in Los Angeles, California, on November 13, 1984, Officer Philip Rogriguez, Serial No. 16924, Los Angeles Police Department."

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, are you aware of Mr. Ingram working with the Church of Scientology or attorneys for the Church of Scientology to perform investigation work for them?

A. Certainly.

Q. What are you aware of?

A. I'm aware of this operation against me. I'm aware of an operation against Michael Flynn, my attorney. Those are what I know with certainty.

MR. WADE: Your Honor, we would at this time wish to play the tape of the November 17, 1984, conversation between Mr. Armstrong and Mr. Rinder.

THE COURT: Okay.

THE COURT: I would like those lights turned off. Leave these on, please.

(Mr. Cooley left the courtroom.)

MR. WADE: We would like to have it start at the beginning of the tape. There is another six minute tape, Your Honor.

THE COURT: We are missing the first part of the tape.

MR. MANION: We can put the first tape in.

THE COURT: Start with the first one. There is about five or six minutes on the first one.

MR. WADE: For the record, this is Exhibit 896. We would offer 896.

MR. MANION: No objection.

THE COURT: Okay. 896 is received, as well.

(Plaintiff's Exhibit 896 was admitted into evidence.)

(Following is a video tape recording transcript made November 17, 1984.)

VIDEO TAPE RECORDED TRANSCRIPT

MR. ARMSTRONG: How are you doing?

MR. RINDER: Very good. How are you?

MR. ARMSTRONG: Not bad.

MR. RINDER: Finally. Documents. Are you going to give that back to me?

MR. ARMSTRONG: If you like.

MR. RINDER: So? Here I am. Now, I guess you are probably going to want a little bit about why me, but the reason that I wanted to meet you is because we are a little concerned at this point about the fact that, you know, stuff being relayed through this relay point and that, you know, there may be some misduplication and that kind of shit -- and I want to get the straight scoop from you. I also -- I brought this draft of the suit. There's some points in there --

(End of first video tape.)

MR. WADE: For the record, 897 begins now.

(Defendants' Exhibit 897 video tape played. Following is a transcript of that recording.)

MR. RINDER: I need it more than you do, I

think. So, here I am. Now, I guess you are probably going to want to know a little bit about why -- why me, but the reason that I wanted to meet you is because we are a little concerned at this point about -- the fact that -- you know, the stuff being relayed through this relay point and that -- you know, there may be some misduplication and that kind of shit, and I want to get the straight scoop from you. I also -- I brought this draft of the suit. There's some points in there -- well, I have a little concern about some of those, about how we are going to handle that; if we were to go ahead and bring that, how it would actually come off. You know, at certain times we really need to -- to get the real scene, you know, what's really going on, so I'm going to -- I have a (inaudible). Joey doesn't have that. So I can then be a more direct relay point, because this has been going on now for some time.

MR. ARMSTRONG: There's a lot of things I would like to work out, which I think would make things go along a lot easier. First of all, the complaint, itself, that's not set in concrete.

MR. RINDER: No, no, I understand that.

MR. ARMSTRONG: And a lot of issues keep

coming up which kind of broadens the whole thing, as far as I'm concerned. The last time I met with Joey it was with the girl, and at that point I was basically given a go ahead to locate an attorney. I don't know if you guys have an attorney, I don't know what the status of that is. However, when, apparently, the money fell through -- well, whatever happened, I did not have the name of the attorneys. And I would be willing to do that, but that's kind of a last thing I was left with.

My understanding is it's sort of up in the air the whole thing. And that's okay. I don't have any compulsion to do any of it. But, you know, in my opinion the organization is in a state of transformation and it has to be altered. It is altering itself. We happen to be in a situation right now where, you know, something good can come out of it. That's philosophically where I stand on it. I don't want to continue on a legal battle against anyone.

MR. RINDER: That's exactly what our position is on that. That is really the common interest that we have with you.

MR. ARMSTRONG: Everyone has -- you know, as an aside, that viewpoint is being assumed on the

and see that the Church did not intercept or touch them in any way. I think he fears the tainting of evidence in his criminal case in Toronto.

And this morning, I can give the exact time, I have the bill from the hotel, 7:12 a.m., which is about the only time I can get up early enough to catch him in Toronto. I put a call to him in Totonto, area code (416), and asked for a status report on the tapes. I was told at that time that before noon today they would be delivered to my hotel.

I left the court at approximately 11:00 this morning after reporting that the tapes would be here. I walked over to my hotel, checked with the desk clerk. The desk clerk said that a young lady with dark glasses, blond hair, had left a package for me. I picked up the package, did not open the package, but walked immediately back to court, arrived back at court at approximately 11:20 and sat there until I turned the tapes over to this Court without --

THE COURT: At noon.

MR.PETERSON: -- at noon, without opening the package. Now, I cannot represent to this Court that they came from Toronto or where they came from. The

attorney did not tell me.

THE COURT: Okay.

MR. PETERSON: But in checking with people who were in court -- I thought I made it clear I had no direct knowledge of where those tapes were located. I was just actually making inquiry in an investigation of the two Rinder tapes. The first time I heard about it was approximately Wednesday or Thursday.

THE COURT: I have the envelope, square manila envelope; Scotch taped, one piece of Scotch tape on the back; with a white piece of paper, letterhead-size, on the front, which says: John G. Peterson, Esquire. No other stamps, marks of any indication on it.

Okay. That's where we are. We might surmise, I suppose, they have been here. One might.

MR. PETERSON: I can state -- I will state, under oath if need be, that they have not been in my possession and this is the first time -- well, I haven't even seen the tapes. I presume they are -- the tapes are in there.

THE COURT: I haven't opened the package.

MR. PETERSON: Right. This is the first contact I have had with those tapes.

MR. COOLEY: If it had been here, I can't understand why I wouldn't have been notified about it.

THE COURT: I don't either, Mr. Cooley, which is very surprising, also, unless the client is not your client and not telling you either.

MR. COOLEY: There would be no reason for that, Your Honor. There would be no reason for it at all.

THE COURT: I can't think of any.

MR. COOLEY: Because I don't have -- the only reason that I talked to this fellow Rinder, I understand that in those conversations there was some good stuff for me. I just didn't want to get into tapes again; it took us four days last time.

THE COURT: I hardly blame you for that. Well, the first thing before we come to anything from the Court, I want to review the transcript as to what was said. I don't want to hold up the trial for very long, because we can look at that later on.

MR. COOLEY: I have, I'm pretty sure, the transcript, I have a whole bag full of the transcript. I think yesterday's and the day before, I would have.

MR. RUNSTEIN: My administrative assistant

gave him the pages. There was colloquy between the Court and Mr. Peterson.

MR. PETERSON: It wasn't colloquy. The question put to me, as I recall was: Get those tapes here, and how soon can you get them? I was told that they were -- the person I was to contact was a Mr. Ruby in Toronto. I had presumed they were in Toronto and said it depends on airplane flights.

MR. COOLEY: What pages are we talking about?

MR. PETERSON: 4700, 4717, and 4769.

MR. COOLEY: 4717.

MR.PETERSON: It's Thursday in the morning, Thursday in the afternoon.

MR.COOLEY: I have 4717 first.

"The Court: Mr. Peterson, any news for me?

"Mr. Peterson:" --

THE COURT: I think this actually went on Wednesday.

MR. COOLEY: I think there was more than one day you asked Mr. Peterson.

THE COURT: I do, too. I think the conversation about where they were --

MR. McMURRY: Your Honor, it actually first started on Friday when documents and tapes and anything was going to be done. And Mr. Cooley

responded -- you said: "That's a tall order." And Mr. Cooley said: "It sure is. I'm going to be working on it and I'll have Mr. Peterson work on it."

That's when you required in the first instance -- you want everything. Cough it all up with the exception what Gerry Armstrong had handwritten. That's when it first came up.

MR. PETERSON: I made no representations then.

MR.MCMURY: Then on Monday we -- the Court made inquiry regarding that and that's when the name -- or the Toronto attorney came up.

MR. RUNSTEIN: I think, first of all, we didn't meet on Friday. I think it was later that Mr. Cooley apparently learned there were tapes after he thought there were no more tapes, and he advised the Court there were additional tapes.

THE COURT: He did. But I don't know exactly where that is in the transcript, what happened after that. We will just have to read it.

MR.MCMURRY: Thursday -- I did misspeak myself. That is correct, of last week.

MR. PETERSON: I wasn't here.

THE COURT: No, you weren't here.

MR. COOLEY: I say when I go back for lunch I'll check on that location.

THE COURT: We have about a week's transcript to read.

MR. COOLEY: All right. I want to take the time now to do it. I want it from last Thursday, I guess, is what everybody seems to indicate, what we first started talking about it. And I will read it. Last Thursday?

THE COURT: That seems to be when we started to talking about it. That is Mr. McMurry's indication.

MR. PETERSON: That was the first tapes, I guess.

THE COURT: That's the first tape. But I started to make inquiry about any other tapes last week. You didn't know of any at that time.

MR. COOLEY: Yeah. We were dealing only with those on the 7th and 9th. We were shut down virtually Monday and Tuesday. We didn't take any evidence.

THE COURT: That's right. We need that period of time. It amounts to about a week up through noon today.

Anything else, gentlemen?

MR. McMURRY: Well, I just wondered if Mr.

Peterson has any idea what time the tapes were delivered to his hotel room or to the hotel desk today?

MR. PETERSON: Between 9:30 and 11:00. Actually 9:15, I guess. I got there around 11:00; they were there -- or the package was there.

THE COURT: What disturbs me is it seems as though -- without saying who, because I don't know who -- but somebody, out there somewhere, is making it very difficult to enforce Court orders.

MR. PETERSON: Wait a minute. The Court order has been complied with. When you ordered those tapes to be gotten here --

THE COURT: Wait a minute, Mr. Peterson. If they were here, I could have had them two days ago.

MR. PETERSON: They weren't here two days ago.

THE COURT: Well, --

MR. PETERSON: As far as I know, they weren't.

THE COURT: I didn't say you did. But I'm handed a package that certainly doesn't look like it came air freight from Toronto.

MR. PETERSON: I would imagine it didn't, not in that condition. But there are other ways of

getting it here, and the attorney assured me that he wanted it kept out of my client's hands. He has an evidentiary problem; he didn't want it -- chain of custody, I don't know why, but he said he would get it here. And that's all he told me.

THE COURT: The fastest way is by air freight. I don't know how else it could get here from Toronto to here.

MR. COOLEY: It could come by carrier, Your Honor. He could have flown, himself.

THE COURT: It could come by private carrier or he could have flown with it here himself.

MR. PETERSON: One concern he said to me, he said he was sending original documents. There's presumably something in that envelope other than tapes. I had asked for the Rodriguez letters; he may have included those. And I asked for other reports, you know, the stuff Mr. McMurry had on his shopping list. So --

THE COURT: Until I read the transcript, I don't want to open this yet. And then -- unless you gentlemen don't mind if I do.

MR. COOLEY: I don't see what difference it makes.

THE COURT: All right. I'll open it.

(The Court opened envelope.)

THE COURT: Three tapes labeled "Armstrong and Mike, November 30, 1984; Armstrong and Mike, November 17, 1984; Armstrong and Mike, November 17, 1984, first six minutes."

MR. COOLEY: November 17, I never heard of that one. November 16, 17, and 30?

THE COURT: No. November 30 and November 17.

MR. COOLEY: All right.

THE COURT: There is nothing here that we have not all seen before. It'a Officer Rodriguez's letter.

MR.MCMURRY: I think it may be a different date, Your Honor.

THE COURT: You are right. One dated November 13 and one dated November 28.

MR. McMURRY: All right. Your Honor, could I please move that each of the tapes be marked separately as a Court Exhibit, and each of the documents that have come from the packet and the packet itself be marked as separate Court Exhibits.

THE COURT: It appears to be an original and two copies of these Rodriguez letters.

MR. PETERSON: I think that's what his concern was, that was his original letter.

MR. COOLEY: After the Court examines the originals, could we have the originals back, and keep the copies?

THE COURT: I'm not going to disturb his chain of custody if that's what he is concerned about.

MR. COOLEY: Yes, I guess that's his concern.

THE COURT: They are not going anywhere, however, Mr. Cooley. The purported authorization dates are different. November 13 authorization is November 15 through November 21; the November 28 purported authorization is November 30 through December 7.

MR. COOLEY: Is the first one a week? What are they good for, a week at a time?

THE COURT: It looks pretty close.

MR. McMURRY: Okay. Will you have Lois come in with a court stamp?

THE COURT: These will be a Court Exhibit number. They will consist of three documents, an original and two copies -- as will the other one, as will the package, as will each of the tapes contained, an exhibit number. For the time being, they are Court Exhibits.

MR. COOLEY: Would Your Honor mind marking

the copy instead of the original?

THE COURT: I don't mind. The next exhibit number, not on the original, but on the copy: Court Exhibit. Not on this, on the manila folder: Court Exhibit. On each of these three tapes. They will be the next six exhibits, sequential.

THE CLERK: All right.

MR. COOLEY: That's all I have.

MR. McMURRY: One other item, Your Honor, is that now the best investigation that has been conducted that there are no further tapes of the meeting with Rene -- Rena, and this lawyer, Janeway.

MR. COOLEY: That's right. I have already stated that.

THE COURT: The representation to this Court is that they are nonexistent, audio or videotapes.

MR. COOLEY: Right.

MR. McMURRY: All right. And reports, Mr. Peterson --

THE COURT: You are going to have to say to the best of your knowledge, Mr. Cooley, that you don't know of any.

MR. COOLEY: I have made inquiry and I'm informed there are none.

THE COURT: Mr. Peterson?

MR. PETERSON: Same is true. I had planned to return to Los Angeles to make another check for the items on Mr. McMurry's shopping list.

MR. COOLEY: Those are documents you are talking about?

MR. PETERSON: Right. He mentioned reports, too. Someone mentioned a report. Maybe it was McMurry.

MR. McMURRY: The only other question that I would have at this time, Your Honor, would be the method by which Mr. Peterson obtained knowledge of the first two tapes that were offered, of the Joey interviews.

THE COURT: Of which interviews?

MR. MCMURRY: It's my understanding this chap Ruby, masterminded all of the tapes. And I'm interested in how only two came to the knowledge of Mr. Peterson and then to Mr. Cooley, two out of the five, by Mr. Ruby, when that knowledge of those first two tapes -- but not until yesterday the other three. And did that knowledge come to him through Mr. Ruby or some other person.

THE COURT: I think these inquiries I will reserve making. I thought of it, also, Mr. McMurry.

But I think I'm going to reserve further inquiry until I have such time to look at the transcript.

MR. McMURRY: Fine.

THE COURT: Let's go to work.

(Following proceedings held in open court out of the presence of the jury.)

THE COURT: Mr. Armstrong.

(Witness resumed the witness stand.)

THE COURT: Let's get our exhibit numbers stright, gentlemen, so there is no question about this. They should be, according to my numbering system, 893, 94, 95, 96, 87 and 98; is that correct?

MR. McMURRY: 894 would be the first.

THE COURT: What's 893?

MR. McMURRY: Letter Dear Sir, dated 15 October 1981.

THE COURT: We never got that.

THE COURT: 893 should be the letter, Rodriguez letter. Which date?

THE CLERK: November 28.

THE COURT: All right. November 28 letter of Rodriguez. 894 should then be the --

THE CLERK: November 13.

THE COURT: -- the second Rodriguez letter.

11/28 is 893. Whatever the date is on the second Rodriguez package. What's the date of it?

THE CLERK: November 13.

THE COURT: November 13. That is 894. What have you used 895 on?

THE CLERK: The manila envelope.

THE COURT: Okay. That's the manila envelope. 896, 897 and 898; what is 896? It's a videotape. Which one?

THE CLERK: I have November 17.

THE COURT: Videotape dated November 17.

THE CLERK: Yes.

THE COURT: What's 897?

THE CLERK: November 17.

THE COURT: That's November 17. One of those is a six-minute tape, if I remember correctly. And 898 should be another videotape and what date is that?

THE CLERK: November 30.

THE COURT: November 30. All right. Those items are all Court Exhibits for the time being.

Everybody's records straight?

MR. COOLEY: Yes.

THE COURT: Mr. McMurry?

MR. McMURRY: Yes, Your Honor.

THE COURT: Okay. Get the jury.

(Following proceedings held in the presence of the jury. Defendants' Exhibit 899 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. I show you, sir, what has now been marked as Defendants' Exhibit 899 for identification and I ask you whether that is a document in your handwriting that was prepared by you and delivered to Mr. Sherman for transmittal to the so-called Loyalists?

A. This is a -- part of this is, and you have mixed up two documents here.

Q. I have?

A. Yes.

Q. Tell me what's mixed in. The pages are numbered one, two, three, four, six -- starting with page six is not part of this document?

A. Right.

Q. Starting with six, that's the answers to the questions that you prepared that we have seen on another document, correct?

A. Yes. You gave me a partial document the other day and this appears to be the remainder of it. It ended in the middle of a question, if you recall.

Q. All right. Let's then see if we can straighten that out.

MR. COOLEY: Could I have 883 again.

BY MR. COOLEY: (Continuing)

Q. Do you remember both of the documents are dated November 8. I show you Exhibit 883, sir. Is this the document you are referring to that ended, page five?

A. Correct.

Q. So these pages that are Xeroxed to this should really be a part of that exhibit?

A. Correct.

Q. All right.

MR. COOLEY: If nobody has any objection, I will take of pages six, seven and eight of Exhibit 899 and attach them to Exhibit 883 consistent with the witness' identification.

Is that all righ?

MR. McMURRY: Yes.

THE COURT: Why don't you make your changes and then show it to opposing counsel in the proposed form you wish it to be introduced.

MR. COOLEY: Yes, sir.

883, I now have attached to it, these three pages.

BY MR. COOLEY: (Continuing)

Q. Is 899 complete with four pages, sir?
A. I can't tell you that.
Q. I'll show it to you again. Now, sir, 883, I have attached those last three pages. That is now a complete document?
A. It appears to be.
Q. And 899, without those they pages that belong to another document, is that now a complete document of the same date?
A. I can't tell you.
Q. Is it in your handwriting?
A. Yes, it is.
Q. And is 899 your questions that you wanted them to answer and is 883 your answers to some questions that they had?
A. Yeah. They had some questions and --
Q. And you had some questions; right?
A. Right.
Q. Okay. And 883 were your answers and 899 are your questions; correct?
A. Right.

MR. COOLEY: I offer 899, Your Honor.

MR. WADE: No objection.

THE COURT: 899 will be received.

(Defendants' Exhibit 899 was admitted

into evidence.)

BY MR. COOLEY: (Continuing)

Q. Now, sir, on Exhibit 899, on page four, item twelve, -- well, just before item twelve, you hve got something set forth that says, "This will be our code."

A. Yes.

Q. Did you develop a code with this fellow Joey or with the so-called Loyalists?

A. It's difficult to say. This is a joke; right?

Q. I'm sorry?

A. You've got it, right? It's a joke.

Q. Did I catch your joke?

A. It's a joke.

Q. Is that what that is?

A. Right.

Q. I didn't catch it. That is not -- so that's not meant to be a serious matter there on page four?

A. No. It reads, "Oh, ha, ha."

Q. Where does it say that? Where does, "Oh, ha, ha," appear?

A. It's just a joke Mr. Cooley. It's nothing more than that. The same at the bottom. "Remember, all you need is doubt the size of a mustard seed as well. If it's Grey Poupon" --

Q. I was just about to ask you about that because I

didn't understand it. When you say, "Remember, all you need is doubt the size of a mustard seed, as we will, if it's Grey Poupon." That's a joke?

A. It's just a joke.

Q. That certainly clears that up for me.

Now, going back to Exhibit 883, which is in front of you now, with the pages that we didn't have the last time since I apparently had misstapled it, you see on page six, where you say, "The Court would be less likely to move immediately to freeze accounts and that type of thing if it was simply an issue of who should control funds. Which, for example, is being litigated in something case." What is that word?

A. Corryden's.

Q. "Corryden's case."

A. I don't know if that's the correct spelling, but that's what I meant. I think there is a Y in there. C-O-R-R-Y-D-E-N.

Q. "If it had, for example, illegal transfers of money are being made, such as Homer knows about, they could get an affidavit from Homer, Nelson, just Homer's testimony about what he did there together with, for example, payments, amounts to PIS, and to attorneys and that would probably do it." Do you see that?

A. Yes.

Q. Do you remember --

A. It's Homer's testimony alone.

Q. Is that what you were telling the Loyalists, that if all they had was a fight over control, that that would not be likely to capture the Court's imagination so as to require him to freeze the accounts?

A. They asked me a number of questions and, again, it's very clear -- this is my analysis of it. You guys need to get an attorney. I really can't give you legal advice. You are asking the wrong guy. But all that notwithstanding, I'll give you how I see it. And this is how I saw it. It may be inaccurate, but I did the best I could according to the information that they provided me and what they requested of me.

Q. The reason I asked you that, am I incorrect in understanding your previous testimony to be that your advice to them was that it would be sufficient for them simply to go in as persons that were seeking control of the Church organization an they didn't need anything in addition to that?

A. They asked about what in addition they needed. You have to understand, again, they were getting it from me and I am not an attorney.

MR. WADE: Mr. Armstrong. Before we get into this again, Your Honor, we object on the ground of cumulative.

THE COURT: It does appear to be so, Mr. Cooley. We are going to have him testify again what he's already told us.

MR. COOLEY: We didn't have these three pages on 883 before, Your Honor.

THE COURT: I'm fearful the answer will be exactly the same. He's starting in that direction.

MR. COOLEY: If it's exactly the same, so be it.

THE COURT: Is it going to be the same thing, Mr. Armstrong.

THE WITNESS: Yes, Your Honor. I was very explicit with it. Given again, the proviso that they got to contact an attorney. They asked me for help, and they had the complaint, they had some questions which apparently the complaint generated. They were the ones who were going to file the lawsuit. I was not. They wanted to know if they can't get these facts, what's the situation? And my analysis was, if you've got proof, as you originally claimed to me to have, of the these criminal activities, then it's -- you know, law happens to be to some degree a crap shoot, and you are going to win some and you are going to loose some. That's the nature of this thing, this legal machine. If you continue on, if you have got the guts to

persist, my opinion is, justice will ultimately prevail.

But I told him, you know, you guys run the risk. And, you know, you can strengthen your case if you have the facts regarding illegal expenditures and the criminal activities to which the funds of this charitable corporation were put. That's basically what I gave them. Again, my analysis and not to be acted on. I did not want them to go down and on their own file a lawsuit. I was relaying this information back and forth at their request. And they apparently got an attorney.

I mean, the whole thing has to be understood in the context it was a setup. This thing has no validity whatsoever. None of these documents have any validity. It's all garbage. I was asked bogus questions and the whole thing was a setup. It was pure unadulterated dirty, rotten, stinking entrapment orchestrated by their attorneys.

BY MR. COOLEY: (Continuing)

Q. Is that it, sir?

A. That's it.

(Defendants' Exhibit 900 was marked for identification.)

BY MR. COOLEY: (Continuing)

Q. I show you what's been marked as Exhibit 900 for identification. Did you write that?

A. Yes.

Q. Did you send it?

A. Yes.

Q. Did it follow the lines that are shown in the upper left-hand corner?

A. Yes.

Q. Going from you to Laurel Sullivan?

A. Yes.

Q. To the GO's office? Who is the CC?

A. CC is Controller Communicator, Comm Comm.

Q. And then ultimately to C, the Controller?

A. Yes.

Q. So that would be from you to Laurel to whom?

A. Nikki Merwin to Mary Sue Hubbard.

Q. What was the purpose in writing this letter? Incidentally, before you answer that question, there doesn't appear -- I don't have a signature on this. Did you sign this when you sent it along?

A. Well, I may have. This may be the -- a copy which was taken out of the files after I left the organization. The various points on the routing are not signed off, so I can only assume that this is, indeed, a copy.

By the way, the organization made much of this

document in my case and they had another one which was identical except for something else on it. And we got in a dispute about that, and if that's the case right now, then I'm telling you there are two documents which are almost identical. The only difference being something was whited out on one and rephotocopied. And the only reason for that was so the copy which went to Mary Sue Hubbard was a nice clean copy and not a bunch of -- you know, messy whited-out document. You probably got two. But in any case, this was one of the two that I wrote. And it is probably a copy because it is not signed.

Q. I have got two and I have the one with the whiteout, but I wasn't making any issue about that.

A. Okay. It has been made before.

Q. All I'm asking you is, when you have a document like this, that is received along the lines, do you have a signoff on it by the people who receive it?

A. Yes.

Q. Where would the signoff normally appear?

A. Well, there is two possibilities: first of all, if this document was returned to me, and I think it was, but I can't be sure at this point, it would be signed off right adjacent -- usually to the right of the post title on the routing. Like I say, this has to be the copy which I retained, because it's not signed off and I would not have

gotten it back in this condition. I definitely did send it to Mary Sue and I definitely did get an acknowledgement from Mary Sue.

Q. All right. Now, would you tell us the reasons that you sent this. What was it you were dealing with?

A. This is a briefing on the various archives that I found.

Q. Okay. Had somebody requested that you prepare this?

A. I think Laurel. And it also could be why there's a second copy, because it went up to Laurel. And Laurel, I think, sent it back down asking for some changes, some broadening, whatever it was, and she did make some changes in it.

Q. Laurel did or --

A. Well she asked me to. This is my recollection. We are talking about five years ago, but that's my recollection. I mean, I definitely wrote the thing on her request, at her instruction and there were some changes which she did make.

Q. Was this your concept of how the Archives Trust and the interrelationship between the GO and the Archives Trust should operate?

A. Well, it is included in there, especially in the last couple of pages. At this point, in October of 1980, all the legal steps had not been worked out with regards to the establishment of this trust. There was to be a trademark

trust and that was being worked out by Hubbard's attorneys in 1980, and it ultimately became a corporation known as Religious Technology Center. But I happened to have particular archival materials which we were intending at that point to preserve and perhaps showcase.

And I note here the other archives, as well: PRWW, PR Archives WW, that's world wide. It was the Guardian's Office World Wide, which is in Saint Hill Manor in Sussex. And I note here an exchange of the technical materials in my files, that's R's personal files, L. Ron Hubbard's personal files, for the non-tech materials, and C Archives, Controller Archives.

Q. I notice in the sixth paragraph on the first page you say, "In January there was a raid threat at SU and we all held a shredding party, and great amounts of old files were pushed through the paper gobbler." Do you see that?

A. Yes.

Q. Was it customary to put that shredding operation in writing within the organization?

A. No. I was out of line.

Q. I beg your pardon?

A. I was probably out of line for doing that.

Q. Does this paper qualify as completed staff work, sir?

A. No.

Q. Brenda Black is the one who gave you documents during

that so-called shredding party; right?

A. Correct.

Q. And who did she understand you worked for at that time?

A. L. Ron Hubbard.

Q. You were then in charge of the renovations or you were the assistant?

A. I was the -- I had two post titles. I was the LRH Renovations in Charge, and I was the Deputy Commanding Officer of LRH household unit, and I was the head, as the Deputy CO at Gilman Hot Springs. So I ran the household unit at Gilman Hot Springs; hence, I was Brenda's senior. Brenda was not in LRH renovations, but she had a post called the LRH Gear in Charge.

Q. Did anybody reprimand you for making that statement in writing to Mary Sue Hubbard, "...and in January there was a raid threat at SU and we all held a shredding party and great amounts of old files were pushed through the paper gobbler"?

A. No.

Q. Now, is there anywhere in here, sir, as of October 1980, that you referred in any way to any misrepresentations in the biographical history of LRH?

A. I don't think so.

Q. Had you at this time already started bringing these matters to the attention of your superiors?

A. Well, I had -- There was the matter of the dive

bomber incident, February 1980.

Q. Is that the only one you had at that time?

A. I can't say for sure. It became more significant as time went on. I rather -- This is just after, I think, signing the contract with Garrison. I may have talked to Laurel about it by this time. When I first approached Laurel about it, and she was the first one I did talk to for a long time, she took my head off. She screamed at me. And I was very much out of line and I didn't speak to her again about these things that I was finding for a long time.

Q. When did you first speak to her, roughly?

A. I can't give you a date.

Q. Was it in 1980 or 1981?

A. My guess is that it was in the latter part of 1980. But again, I can't say for sure. I never put anything in writing at that time, so I don't have any record of it. You know, I did tell her.

Q. How much time elapsed between the time she bit your head off and the time you spoke to her again?

A. Again, I can't tell you. Gradually, she was willing to talk to me about the subject. I wrote some of those things that I wrote, some of the ones that you had here, I think, during the -- her tenure. I think this 18 June '81 -- I was definitely critiquing these things during the time when she was on post.

Q. Where did you find a misrepresentation by LRH that his grandfather owned ranch a quarter of the size of Montana?

A. My recollection is that this was in the materials called the "Tomkins materials". There was a writer who had -- and this is vague, I have seen it in archives materials.

Q. Did you ever see it published anywhere?

A. I can't say for sure. I remember the quote. Anyway, Peter Tomkins was a writer who had been involved in writing a biography in the '70s, and he had written to Hubbard a number of questions and Hubbard had responded to those questions. That material is in the archives that was under my control in the organization.

Q. Now, you interviewed Mr. Waterbury, didn't you?

A. Yes.

Q. What was his first name?

A. Ray.

Q. Where did you interview him?

A. In a little town outside of Brandon, Manitoba.

Q. You talked about the ranch of LRH's grandfather, didn't you?

A. We talked -- Well, what he said was, that they had some horses, no cattle ranch.

Q. Didn't he also tell that the grandfather used to be engaged in the buying and selling of cattle?

A. That was in Nebraska, when he lived in Tilden,

Nebraska. That was prior to L. Ron Hubbard's birth.

Q. Did he tell you that in Montana they owned a quarter-section ranch?

A. A quarter section?

Q. Yes. Known as the Quarter Ranch?

A. If that was the case, if he did, it was in Kalispell. That's where he said that they had some property.

Q. In Montana?

A. Right.

Q. Didn't you, yourself, ask him whether or not there was a Quarter Ranch?

A. No, I didn't ask him that.

Q. Do you know what a section is?

A. Yes.

Q. Do you know how big it is?

A. Six hundred and forty acres.

Q. And do you know what a quarter section is?

A. A quarter of that.

Q. Didn't you learn that LRH's grandfather had a quarter section, not a ranch a quarter the size of Montana, but a ranch one quarter of a section in Kalispell, Montana?

A. Again, if I learned that, and if you have a tape on that, I would like it -- to see it, because I do not recall such a thing. I knew that they had horses in Kalispell.

Q. I'm simply asking whether you remember Mr. Waterbury

telling you that LRH's grandfather had a quarter-section ranch in Kalispell, Montana.

A. I don't recall.

Q. You have no memory of that whatsoever?

A. No.

Q. All you remember is the misrepresentation that the ranch was a quarter the size of Montana?

MR. WADE: Objection, Your Honor. I move to strike.

THE COURT: Sustained. The question is not proper.

BY MR. COOLEY: (Continuing)

Q. When did you first meet Julie Christofferson?

A. Approximately February 27th.

Q. Of this year?

A. Yes.

Q. You never knew her in 1975, 1974?

A. No.

Q. You never her when she was a member of Scientology?

A. No.

Q. You never knew her when she was taking courses?

A. No.

Q. The only knowledge you had of her was when you came here in this case, at Mr. McMurry's request, to testify; isn't that right?

A. Well, I knew of her.
Q. I mean know her personally, meet her, talk to her?
A. The first time I ever met her was as I said.
Q. And do you know whether anybody replaced you, after you left, as the biographer of LRH?
A. Again, I was not the biographer. The biographer was Omar Garrison. Omar Garrison continued on, writing the biography until sometime, I believe May or June of 1983.
Q. You have had access, have you not, to the documentation that was Mr. Hubbard's personal documentation going back virtually as far as that documentation went in his life; isn't that a fair statement?
A. Yes.
Q. You had his personal correspondence with his wives?
A. Yes.
Q. As you have testified?
A. Yes.

MR. WADE: Your Honor. Objection; asked and answered. We went through this at the beginning, the first day of cross-examination.

THE COURT: We are doing it again, Mr. Cooley. We are covering the same ground.

BY MR. COOLEY: (Continuing)
Q. You have testified --

THE COURT: Let me make the ruling for the

record.

Sustained.

MR. COOLEY: I assumed that was the ruling.

THE COURT: That's the ruling.

BY MR. COOLEY: (Continuing)

Q. You have testified here at great length that L. Ron Hubbard betrayed you; that L. Ron Hubbard is a fraud; that L. Ron Hubbard was an evil man and did to you things that he shouldn't have done. Do you think that you betrayed L. Ron Hubbard in any way, Mr. Armstrong?

A. That's a difficult question. I suppose in his mind, I did.

Q. How about in yours?

A. I probably betrayed him when I didn't slap him down the first time I saw him victimize people. We all should have.

Q. Have you made up your mind, sir, whether you hate the man or whether you love him?

A. I think that's inappropriate Mr. Cooley.

Q. Well, on the question of bias, sir, I think we are entitled to know.

A. And I have said before, it's a complex issue. My relationship to L. Ron Hubbard continues to be a complex issue. There is simply no way that I can look at it rationally and say that he is the victim. He victimized

countless people. He set up his own mind to do that. In his own handwriting he wrote that "all men are my slaves." That's shocking material, and that's how he acted. He's an amoral man, he's hurt a lot of people, a lot every people are victims, and he's not.

So do I hate the man? I really don't think so. I think that -- You know, I gradually extricate myself from the Hubbardian morass in which I find myself. My particular relationship to him is, perhaps in his eyes, one of Judas; in my eyes I think it's something else. I would like the whole thing to resolve. In actual fact, you see, when we were in the organization, we perceived him as something different. Now I perceive him as exactly the same. But I am here and he's not. And that's an essential difference in this relationship, because the man is, any way you slice it, a coward.

Q. I notice, sir, that so many of the communications that have gone in here, signed by you and communications that went to you, whether they were from LRH or from others, were signed love or much love. Was that a practice in Scientology?

A. It's a practice. It's not a reality. It's probably the only group in the world in which love is not allowed to exist.

Q. So when LRH would sign a letter to you or a communication to you, love or much love, that was --

A. It was a rubber stamp.

Q. And when you did it, it was the same?

A. I didn't even question it. He set the practice, I followed whatever he set.

Q. When you signed a communication to him much love, did you mean it or didn't you?

A. If you didn't sign much love, then people would be questioning where your loyalties were. Were you counter-intention? It grew more bizarre through the ages, to a point where there was much, much, much, much, much love. There was a scale of responses from L. Ron Hubbard: much love; love; best; just, R. If you ever just got an R or best, you knew you were in deep trouble on a communication. And gradually there was no much love in 1971. By 1981, there was all much love, and there wasn't much love.

Q. Have you attempted here to give a fair, unbiased presentation of your life in Scientology and of L. Ron Hubbard's effect on your life?

A. Again, that's a difficult question because my life in Scientology is so incredibly emotionally charged, and my connection to Hubbard is likewise. I have tried. I'm in a situation where I'm asked questions which are going to elicit a fairly charged answer. You are asking me areas and he is in the relationship as an attacker. He's there to --

Q. You mean me, sir?

A. That's correct. -- for the organization to destroy me. And I have tried to give you the truth. And I've tried to -- without coming completely apart to give you the picture as I see it.

Q. Can I ask you one final question?

A. Go ahead.

Q. I'm just going to ask you one final question, sir, and then I'm going to let you go.

Was there no good in it at all for you in all those years?

A. The good in Scientology -- In my opinion, Scientology is an illusion. There is nothing there; there's no substance to it. But there are hundreds, thousands of really good people.

Q. That are Scientologists?

A. Yep.

Q. And that were your --

A. And the good things in Scientology -- anything done that was good in Scientology was done by individually decent, good people.

Q. Who follow L. Ron Hubbard to this day, sir.

A. They do that.

MR. COOLEY: I have no further questions.

- - - - -

THE COURT: Redirect.

MR. WADE: Thank you.

REDIRECT EXAMINATION

BY MR. WADE:

Q. Mr. Armstrong, you mentioned reading something in Mr. Hubbard's personal hand where he stated, "All men are my slaves." When did you read that?

MR. COOLEY: Your Honor, now Mr. Wade understands the Court's ruling in this regard.

THE COURT: Let me see the lawyers just a minute on this.

(Following proceedings held in chambers.)

MR. COOLEY: You looked at me when this witness volunteered that.

THE COURT: I did.

MR. COOLEY: He dragged it in. It was something -- he knew what he was doing. It wasn't responsive to the question I asked.

THE COURT: You see, Mr. Wade, the problem with that is that wasn't really an answer to the question. I know my ears perked a little bit because that statement is part of some of the stuff under seal.

MR. McMURRY: The question was, "Do you feel you betrayed L. Ron Hubbard?" If that doesn't call for a charged answer and an open-ended question, I don't know what does. It's not even a proper question, but that was the question.

THE COURT: The question could be answered yes or no.

MR. COOLEY: Indeed. He said in a sense he probably did, by not punching him out, he said in substance.

THE COURT: You know, I feel sorry for this guy Armstrong, but on the other hand, in all

fairness, I don't think Mr. Cooley opened that up to him.

MR. WADE: Well, he's been asked, "Do you think that L. Ron Hubbard" -- two questions -- "He betrayed you?"

THE COURT: He answered that quit well, I thought.

MR. WADE: "Did you betray him?"

THE COURT: And he answered that quite well, I thought.

MR. WADE: And the testimony from the Armstrong trial, the last betrayal and the straw that broke the camel's back, the reading of the admissions or the affirmations. After reading that, Mr. Armstrong understood the intent of everything that had been done to him. The why. Something so important in Scientology. The why. Why are we getting all these lies? Why do we have the RPF? Why do we have all these things that looked upon from at lleast one viewpoint, these horrible things? And in that he saw why.

THE COURT: Did those come into the Armstrong case, the declarations?

MR. WADE: He read --

MR. COOLEY: They didn't come in at all.

MR. WADE: Your Honor, I will be back in two minutes. He read them and I have the parts he read with me.

(Documents handed to the Court.)

THE COURT: What is all this?

MR. WADE: Those are excerpts from the Armstrong case, Your Honor, the transcript.

THE COURT: I have to read it. Let me tell Lois to take the jury out.

It jumps from fifty-one to sixty.

MR. WADE: The only parts I brought, Your Honor, are the parts in which he is discussing the abuse. I can read the entire transcript. I also have fifty-four.

THE COURT: They did read it.

MR. WADE: Yes, they did.

THE COURT: Well, I didn't know Judge Breckenridge would allow them to read that stuff.

MR. COOLEY: In any event --

THE COURT: I don't know how it came in.

Tell me what you are trying to do, Mr. Wade.

MR. WADE: Well, Your Honor, when he asked that question, the questions concerning betrayal, that is the ultimate betrayal of Mr. Hubbard, of Jerry Armstrong, and of the organization. The

organization was set up by Mr. Hubbard and we have the Helen letter and the testimony and other testimony --

THE COURT: I wasn't aware that you were aware of what was in the declarations and --

MR. McMURRY: We have urged you, Your Honor.

MR. WADE: What I am aware of is what is in the transcript. I have never seen the declarations, but I've seen the Armstrong transcript where they are read from. What Judge Breckenridge did, he allowed those quotations in as evidence, and allowed no other part of the affirmations. I don't even know if the other part was offered. But I do know he allowed this part to be read.

THE COURT: But on what legal basis? Now, I have told you, I yet don't see Mr. Cooley opened that up.

MR. WADE: I think he opened it up when he talks about betrayal. "Did you feel that Mr. Hubbard betrayed you?"

MR. COOLEY: He said yes. He gave his answer.

MR. WADE: He said, yes, he did. And on redirect, I'm allowed to ask, "Why do you feel Mr. Hubbard betrayed you?"

THE COURT: And what do you anticipate his

answer to that to be?

MR. WADE: I think his answer will be a long answer and I think it will include some of this.

MR. COOLEY: They want to bring out these things, Your Honor, which you said aren't going in. You may recall we had a talk about this a week or so ago and I would have felt uncomfortable because I felt that those were hanging over my head and the Court said, "They are not coming in, is that clear enough?" I said, "That's clear enough."

I have tried very hard. It's a difficult thing to do to cross-examine an adverse witness without encroaching into that area. I tried very hard not to do it. I think the attempt to get into it now is not appropriate. Certainly in -- I can't imagine a witness whose had a greater opportunity to explain his side of the story on his cross-examination than this witness. I think the matter is in a posture now where a jury can decide what weight to give to his testimony. He has -- he's gotten in plenty of material and I think the matter ought to stand there.

MR. WADE: Your Honor, we understand the Court's reluctance because of the Court's belief in privacy. We also think it's very important evidence

and it should be balanced against that. We have also seen witnesses who we have called who have had information from security checks, from reports and overts and withholds in which they confess alleged crimes against Scientology. We have had materials produced which show PC folders have been culled. The Court has as a Court Exhibit documents not only of the witnesses, but of Miss Titchbourne which shows -- those are Scientology documents, which show that the PC folders have been culled.

So the witness is called by the plaintiff are asked questions concerning the most intimate and private details of their lives because the Court has ruled that the relevancy outweighs the privacy. And why is Mr. Hubbard get a protection? A man who hasn't even shown up in this courtroom, get a protection that exceeds that of the witnesses who have the courage to come up here and testify for the plaintiff who don't even have a stake in this case?

MR. COOLEY: Number one, Your Honor, I have used absolutely no material from any PC file. I have never seen a PC file. To show you the extent to which this witness was protected, and that was because of my understanding of the Court's sensitivity to certain matters. This man's

application for membership in the Guardian's Office, which he admitted filing, I didn't even use. They know full well what's in that application.

THE COURT: I do, too. Now that I have gone through all those boxes.

MR. COOLEY: Yes, you have seen that, then. And you know I didn't even attempt to use it. And this was material in there that was -- that was as bad as some of the material that you have got under seal. In respect for --

THE COURT: In a different sense.

MR. COOLEY: In a different sense. But out of respect for the Court's sensitivity in that regard and what The court did with it, I didn't touch it with a ten-foot pole. And they know it. There are many things that I could have done to this witness that I didn't even touch.

THE COURT: I will represent to you, both, Mr. Wade and Mr. McMurry, there are things there that Mr. Cooley could have used. I probably would have gotten very upset if he had tried it. He didn't try it. Matters pertaining to Mr. Armstrong's youth, some activity that -- well, we won't even discuss it.

MR. COOLEY: We know what they are. And I

respected what the Court has said over the -- these weeks in connection with these things and I said, "I'll leave them alone. I'll leave those things alone."

THE COURT: To the extent that anything further this witness has to say and as it regards this case, and the representations made to Julie Christofferson, and the conduct of which she has knowledge, I think this witness has fully testified to. I think he has been, and been able to explain thoroughly, his feelings towards the Church. If we were to go over the line now on matters which have no bearing, they don't bear on any theory that has been advanced in this case.

MR. WADE: We will withdraw the request.

THE COURT: Okay. They go to the very heart and soul of what -- well, that's all I want to say about it. It takes more people than us in a different case to look at that stuff. That's my opinion. Right or wrong, you know, you can leave it and me deny it and if you want a appellate court to look at it, they will.

MR. McMURRY: We withdraw the question.

MR. WADE: We withdraw it.

THE COURT: Fair enough. Thank you.

(Recess taken at 3:07 PM and court reconvened at 3:19 PM. Following proceedings held in the presence of the jury.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, are you familiar with the representations that L. Ron Hubbard retired from the Church of Scientology in 1966?

A. That he retired as Director of Organization; that's correct.

Q. Are you familiar with any representations concerning whether or not he was controlling the Organization since 1966, that were made by the Organization?

A. I know that while I was in, there was a continual denial of his control of the Organization.

Q. With respect to your relationship with Mr. Hubbard, you testified on direct examination that Mr. Hubbard had assigned you to the RPF, and you were cross-examined at length about whether or not you had any documentation concerning that. I would like to have this marked as Plaintiff's Exhibit.

(Plaintiff's Exhibit Nos. 262 and 263 were marked for identification.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, first, do you know where these documents were obtained?

A. There is -- They are the type of documents that would have been, first of all, Ethics file, and they were produced as part of the B1 file materials. They are referenced in the time track in the B1 file.

Q. They were produced by the defendants?

A. That's correct.

MR. WADE: We will offer Plaintiff's Exhibits No. 262 and 263, Your Honor.

MR. COOLEY: I have no objection.

THE COURT: Received.

(Plaintiff's Exhibit Nos. 262 and 263 were admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Will you please read to the jury, Exhibit 262.

A. "Flag Conditions Order 4517, dated 1 July 1976, Flag only. RPF assignments. By order of the Commodore, Gerry Armstrong" --

Q. Who was the Commodore, again?

A. L. Ron Hubbard.

Q. Would you begin again.

A. "By order of the Commodore, Gerry Armstrong and Terri Armstrong are assigned to the RPF effective on return. They may have a Comm Ev if desired. The charges would be (1)

insubordination, (2) neglect of duty, (3) case on post. LRH Pers Comm for the Board of Directors."

Q. I think you testified, is this the time you talked back to Nikki Merwin who was Mary Sue Hubbard's communicator?

A. Correct.

Q. What neglect of duty was there?

A. The charges such as this are very broadly interpreted. And I never got into how it was construed, but I suppose it's that being a Sea Org member I have a particular duty to obey my seniors without question, and I did not do that.

Q. For this, how long were you ordered to the RPF?

A. Well, I was ordered to the RPF until complete. I spent a total of seventeen months in the RPF.

Q. Would you please read to the jury -- first explain what Exhibit 263 is and read it to the jury.

A. "Ethics Order 24, area estates." The area estates was in Clearwater and it was the part -- the part of all the various organizations that were in Clearwater that dealt with the buildings, care of the buildings, cleaning, and the dining rooms, stewards and that sort of thing. The RPF was underneath the estate's personnel.

"Ethics Order 24, area estates, 17 August 1976. Flag only. Additional RPF duty. Terri Armstrong and Gerry Armstrong are each assigned an additional month in the RPF for

criminal neglect to put it there. Further FO 3434 series" -- FO is a Flag order. The FO 3434 series was a series originated in January of 1974 and continuing through perhaps until today, and it established the RPF and described what the conditions were to be and what it took to get out of the of the RPF. So RPF for criminal -- additional RPF for criminal neglect to put it there, per their FO 3434 series duties as RPF bosun and RPF MAA. I was the bosun; the bosun is the person within the RPF who is the in charge of the RPF. Terri was the MAA, Master at Arms, person in charge of the ethics of the group.

"The slackness in the RPF organization and production, which existed up until a few days ago and of which the tag ends are still being found and having to be handled, has delayed redemption of those in the RPF and caused Dev T" -- Dev T is a term meaning develop traffic, and it's a thing which slows down production. It's anything which is a deviation or impediment to production -- "and caused Dev T Senior Executives and the Commodore's Mission FMO 1672" -- that's Flag Mission Order 1672. It's "Barbara Price, LRH Comm Estates."

Q. Mr. Armstrong, in non-Scientology terms, will you tell the jury what you did to get another month in the Rehabilitation Project Force?

A. This was assigned because, as it says here,

"slackness." I was not ruthless enough in running the people in the RPF. I had under me at that time probably ten people. And the flap which happened was, one of the people left the assigned area at the wrong time and went to see her little child, and she was spotted by an Organization staff member. We were not considered staff at the time; we were second class citizens in this penal colony. And that was the incident on which this additional month duty was based.

I didn't in fact do the additional month because of heroics of the RPF in saving a bunch of material when one of the buildings burned in Clearwater. So later on, it got canceled.

Q. In the discussion concerning questions concerning the dive bomber, you mentioned the Safe Environmental Fund. I believe the dive bomber was going to be shown to raise money for the Safe Environmental Fund; is that correct?

A. It was Safe Environment Fund. Safe Environment Fund was a fund established to raise money for the defense of the eleven top Guardian's Office personnel, including Mary Sue Hubbard, who ended up being convicted in the Federal Court. And, yes, the dive bomber, someone got the idea of showing the dive bomber as being LRH's movie and charging admission and making money that way from the Scientologists who would come to the movie.

Q. There was one document. There were questions to you

concerning when you were the Port Captain and work at Dunedan. Would you please hand Mr. Armstrong Plaintiff's Exhibit 204.

(Plaintiff's Exhibit No. 204 handed to the witness.)

MR. WADE: 204 was marked but never offered.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, do you recognize Plaintiff's Exhibit No. 204?

A. Yes.

Q. What is it.

A. This is the checksheet to what was called Information Full HAT. This is the HAT or training manual for Intelligence personnel in the Guardian's Office.

Q. When did you first see this?

A. In the Port Captain's office when I was the Director of Intelligence in 1974, '75.

MR. WADE: Your Honor, we would offer Plaintiff's Exhibit No. 204.

MR. COOLEY: I object to it, Your Honor, as being irrelevant to anything brought out on cross-examination. This we saw when Mr. Walters was on the stand.

THE COURT: It's a new exhibit.

MR. COOLEY: I think I objected to it then, as well.

THE COURT: I'll overrule the objection. It's received.

(Plaintiff's Exhibit No. 204 was admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, would you take a look at the first page and read the definitions under Part Al, and also read what the person is supposed to do concerning these definitions under Al.

A. Okay. "Part A, the Information Bureau, (1) get the definitions of the following words, use them in sentences until you have them conceptually, look them up in several different dictionaries: spy, spying, agent, operative, information, intelligence, espionage, counterespionage, counter intelligence, fascism, socialism, communism, CIA, FBI, MI 6, MI 5, KGB, GRU."

Q. Would you then read, number two, what the topic of the essay to be written by the person taking the Intelligence course, what he is supposed to write an essay about.

A. "Essay. The differences and similarities of intelligence, counterintelligence, information, spying, espionage, and counterespionage."

Q. I would then like you to look through the rest of document. Let me ask you a few questions about it. How was this document used by the Organization?

A. This is a training -- It's a course. It's a course which is --

MR. COOLEY: I object to the lack of proper foundation, Your Honor.

THE COURT: Lay a foundation.

BY MR. WADE: (Continuing)

Q. Do you know how this document was used by the Organization when you were in the Church of Scientology?

A. Yes.

Q. Would you explain to the jury how it was used.

A. This is a course which was given to personnel in the Intelligence Bureau of the Guardian's Office. It was to train them in the subject of intelligence, and that's broadly including espionage, counterespionage, and so on. All the covert activities of Bl, Intelligence Bureau. Also the Director of Information, Director of Intelligence in the Port Captain's office, used the same manual.

Q. This is a manual that was used to training intelligence agents in Bl?

A. That's correct.

MR. COOLEY: I object. This man was never in this Bl of the GO.

THE COURT: You will have to lay a foundation for that question, too.

BY MR. WADE: (Continuing)

Q. With respect to the time you were in the Port Captain's office, did you have Guardian's Office B1 duties?

A. Yes. The Guardian's Office at that time, when I was the Director of Intelligence, fell under the Guardian's Office, which had recently been installed onboard. The Assistant Guardian for Intelligence was Brian Rubineck; He was my direct senior for many matters. I also had another senior, that was John Danilovich, who was the Port Captain.

This particular HAT pack came from Brian Rubineck, who was the Assistant Guardian to Intelligence, and given to the Port Captain's office by Brian Rubineck when he came onboard.

Q. Would you then turn to Page 8, please.

A. Okay.

Q. What is the title of the new section at Page 8?

MR. COOLEY: Your Honor, may I ask a question in aid of an objection, please?

THE COURT: You may.

VOIRE DIRE EXAMINATION

BY MR. COOLEY:

Q. Mr. Armstrong, did you do all of the things set forth in that exhibit?

A. No.

Q. Did you write the essays and read the books and do everything there that you are commenting on?

A. I have read, I believe, almost all the books.

Q. Did you write any of the essays?

A. No.

Q. Did you take the -- what do they call it? -- the full HAT course?

A. No. I had all the material. I had it in various forms. There were three packs of it. I did not do the full HAT.

MR. COOLEY: I object, Your Honor.

THE COURT: Overruled.

CONTINUED REDIRECT EXAMINATION

BY MR. WADE:

Q. Would you please read what I believe is Section 4 on Page 8. What is the title?

A. "Section 4: Covert Data Collection."

Q. Would you now read from Part A and read the heading of Part A and also the first paragraph.

A. "Part A: The Spy and His Masters, by C. Felix."

Q. Is that a book?

A. Yes. There was a list of books which were in the Port Captain's office, and this was the LRH recommended books on intelligence. This one here is by Christofferson Felix. This is one of them. There's a number of others mentioned in here.

Q. Would you then read Paragraph 1.

A. "Look up in a big dictionary, use in sentences, demo kit, and get conceptually the following words." A demo kit is a number of little objects -- it could be keys, rings, money -- that you can demonstrate a particular function or thing, using these little items. The terms are: "spy, master, cover, cut out, secret, drop, case officer, clandestine, covert, conspiracy, confidential, motivation, sleeper."

Q. The last question I'm going to ask you about this, and it's quite lengthy, but I would like to ask you if you can go through it and see if there are any Executive Directives, Policy Letters, dispatches or notes from L. Ron Hubbard which are studied by the person to learn about these clandestine and covert operations.

A. There is really quite a few, beginning on -- Page 2, these in-fill letters. Do you want me to -- read off this litany? Ron's journals? If you want to isolate it simply to -- there's LRH EDs that go on and on and on.

Q. I have noticed that on Page 2 there are ten or eleven.

A. On Page 3 there's another dozen or so.

Q. That's sufficient for now, Mr. Armstrong. Thank you.

MR. WADE: would you please hand Mr. Armstrong Plaintiff's Exhibits No. 257 through 261.

MR. WADE: I would like to start with 257.

MR. COOLEY: Have these been marked, Your Honor?

THE COURT: Yes, they have been marked 257, 258, 259, 260 and 261.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, could you explain what 259 through 261 are.

A. 257.

Q. Excuse me, 257.

A. 257 is the product of a mission which I was on as the mission second, along with John Danilovich as the mission in charge in 1974 when we went from Lisbon, Portugal, to -- first of all Vigo in northern Spain, and then La Coruna, and it contains the mission orders on which we were briefed and fired. And it contains the various actions which we took in securing a ships chandler, ships agent; contacting the port authorities, customs and that sort of thing, in order to pave the way, grease the lines for the arrival of the ship. It was the first time the ship had gone to those ports.

We had been in the south of Spain in 1973 and we were running out of ports, because it was quite a hot situation in Portugal at that time, and there was a feeling amongst the locals that we were somehow an intelligence operation. They thought we were the CIA. We were something else.

So this contains all of the documents which we

acquired along the way. I believe that there is in here is a contract which we signed with the shipping agent -- ships agent, and all the documents which we obtained, and all the correspondence which would be in the form of telexes between our mission and back to the ship. We were in continual daily telex communication to the ship. And also we wrote what are called daily reports. Each day on a mission, you are required to write a daily report of all the activities of that day. Any problems run into and that sort of thing. That's what this is.

Q. That's one mission and I think we have marked other mission operations. FMO, what does FMO mean?

A. Flag Mission Order?

A. Yes.

Q. We have numbers on these and there are also codes. Do you have any idea what the codes mean?

A. It probably comes from the mission title itself. And it would be included in the telex communication. Code PLP. So if there is any communications in here, then they will have a PLP designation indicating they are from that mission. The reason for that is the ship, wherever the telex machine that the ship was using, they received a telex communications from many countries, all throughout the day, so to keep telexes straight, you put the particular code, the designation for that mission, in the telex.

Q. Now, these were all missions that you were involved with?

A. Yes. Mission La Provincia --

MR. COOLEY: What exhibit is that?

THE WITNESS: 259.

MR. COOLEY: Could we take them in order.

What was 258, Mr. Wade?

MR. WADE: 258, FMO 1362, Mission Spanish Ports. We will get to that, soon.

BY MR. WADE: (Continuing)

Q. Why don't you identify 259 and we will go through first and identify all of them.

A. Okay. 259, unless the other documents are here, it appears to be a part of FMO 1396, and this mission had to do the dead agenting of a newspaper in Los Palmos, in the Canaries, and I was in charge of that mission and it had to do with hiring an attorney. But it's only a partial file.

Q. What you are saying, not all the file has been presented?

A. No. There should be a great deal more than this. The various ports and so on.

MR. COOLEY: What's the title of the mission, Your Honor? I didn't hear it.

THE WITNESS: Mission La Provincia.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, could you take a look at Exhibits 260 and 261 and just for the record, in a very summary fashion, identify what they are.

A. Hold on a second. These two go together, this is 259. This one here is a separate mission, 1402. And this is a separate one again.

Q. We should mark these differently, then?

A. Yes.

Q. I will mark these two separate numbers.

A. Number 260 is Flag Mission Order 1407, and I'm the in-charge of this mission and my second was John Danilovich, and this has to do with going to Bermuda and then on to the Bahamas to secure more ports for the ship, which had then been forced to leave the -- leave Europe. We had run into problems on the mainland in northern Spain and then in the Canaries, and then in Madeira, and there was virtually no ports available to us. And the ship was forced to come across the Atlantic to the Caribbean. And I flew ahead with John Danilovich and set up these ports. That's what this mission here is all about.

Q. Mr. Armstrong, will you now look at 261.

A. 261 is FMO 1427, and this is a mission that I did in -- I think it was November, 1974, and my second was Jim Ward, and this was a mission to Jamaica to, again, find a port into which the ship could go.

(Plaintiff's Exhibit 261-B and 261-C marked for identification.)

BY MR. WADE: (Continuing)

Q We have marked two additional packets. This is 261-B and this it 261-C. Would you explain what those are.

MR. WADE: Would you do me a favor. Refrain from the Bs and Cs. We have enough problems with the numbers, let alone Bs and Cs.

THE WITNESS: Hold on. I think you have 1407 in there somewhere else.

MR. WADE: Right. Right here.

MR. WADE: 261-B will be included in 260, Your Honor.

THE COURT: We have a terrible record. Can we forget 261-B in its entirety.

MR. WADE: We can forget 261-B.

THE COURT: And now it's 260?

MR. WADE: It's just part of 260, Your Honor.

THE COURT: All right. Now how about that other letter?

MR. WADE: What we can do with 261-C, why don't we renumber that the next number and that will become 264, Your Honor.

(Plaintiff's Exhibit 264 was marked for identification.)

MR. WADE: We offer Exhibits 257 --

BY MR. WADE: (Continuing)

Q. Before we do that, I would like you to identify Exhibit 258, if you can, Mr. Armstrong.

A. 258 is FMO 1362, Mission Spanish Port Setup, and this time it's to El Ferrol. And El Ferrol was a port north of Vigo and La Caruna and we did a mission, John Danilovich and I, to this port, again, to set up the port just after we completed the Vigo and La Caruna mission. This was a failed mission. They did not allow us to come into the port because of our troop, our music troop. And somewhere in here would be an issue from Hubbard, if it hasn't been taken out, which will explain all that. It's not here.

Q. Thank you. Take a look at Exhibit 264 and identify that, please.

A. 264 is FMO 1402 called Mission Car Services. The in-charge was Burt Rousseau and I was the second. And this had to do with -- I was taking care of the legal steps necessary for the importation of Hubbard's cars into Portugal. It was in September-October 1974. The cars -- I had had them stored in Portugal for probably a year or more prior to that, but he was not able to drive them because they were not imported and so we were taking the necessary steps to legally import them into the country. That was my part of the mission. The other person, Burt Rousseau was, in fact, then

on a post called LRH Transport. He was in charge of transport of Hubbard's cars. So he was taking care of the servicing of these vehicles and I was taking care of the legal steps.

MR. WADE: Your Honor, we would offer Exhibits 257 through 261 and Exhibit 264.

MR. COOLEY: Objection. Beyond the scope of cross. Being offered on an undifferentiated mass basis, the file's are full of individual pieces of of paper, none of which have been examined by the court or by counsel. They would have to be marked individually if they were relevant and otherwise admissible. There must be a thousand pieces of paper up there. And I object on the ground of relevance, lack of foundation and beyond the scope of direct -- cross-examination. And being offered in an improper manner in that it's a big file folder without the individual documents being dealt with.

MR. WADE: Your Honor, with respect to the timing, they were not produced until yesterday.

THE COURT: I understand that.

MR. WADE: It was impossible for us to produce them before. We are offering them for a variety of reasons.

THE COURT: Why don't you tell me what it is out of the presence of the jury.

MR. WADE: I will, Your Honor. The jury is going to go home.

Well, I understand we are the last ones working in the building anyway and I just signed an affidavit releasing a grand juror and the deputy came down and said this is the last judge they could find. I was the last judge.

So there is no use for you to stay. Have a nice weekend. Please remember all my cautionary instructions. It's Friday night. Do you want me to go through them all?

All right. Have a nice weekend. Leave your notes in the jury room. We will see you Monday morning at 9:30.

(Jury was excused. Following proceedings held in open court.)

THE COURT: I have heard his objection. The problem we seem to have is there could be a valid objection. I don't know. I'm not saying there is. There could be a valid objection to some piece of paper or papers in those files. I don't know. But what we are introducing is a bunch of papers without really being authenticated by this witness that each one is part and parcel of what he did.

MR. WADE: With respect to --

(Following proceedings held in the presence of the jury.)

MR. WADE: May Mr. Armstrong take the stand, please, Your Honor?

THE COURT: Mr. Armstrong.

(Witness resumed the witness stand.)

THE COURT: You are still under oath.

CONTINUED REDIRECT EXAMINATION

BY MR. WADE:

Q. Mr. Armstrong, when was it you left the Church? What date?

A. The last time I walked out of the organization was December 12, 1981.

Q. You mentioned that you were sued by the organization. When was that case tried?

A. The first actual day of the trial was a bunch of pretrial motions and that sort of thing which went through March into April, and we got started, I believe, at the beginning of May, 1984.

Q. When did that suit end?

A. Beginning of June, 1984.

Q. And the Church of Scientology of California, was that the plaintiff in the case?

A. Yes. Church of Scientology of California was the plaintiff and Mary Sue Hubbard intervened, so she was also one

of the two plaintiffs in the case.

Q. When was the decision rendered by the Court in that case, do you remember?

A. I think it's the 22nd or 23rd of June, 1984.

Q. In that decision, would it be fair to say that the Church lost the suit?

MR. COOLEY: I object.

THE COURT: Sustained.

MR. COOLEY: I ask that the jury to disregard the question, Your Honor.

THE COURT: Please disregard that, members of the jury.

BY MR. WADE: (Continuing)

Q. When did you first get the call concerning your PC folders?

A. It was sometime prior to the -- a few days prior to the decision which came down in my case.

Q. Was there a period of time, then, between the end of testimony and the judge's decision?

A. There was a -- somewhere between two and three weeks, and I left the day that the decision came down, to London, England, and it was prior to leaving for England and after the trial ended, and it was -- I would say within a day or within two days of the date of the decision. It was approximately the 20th, 21st of June, 1984.

Q. Mr. Armstrong, after the decision, you testified about, in fact, two tapes had been made concerning meetings with a Joey -- someone you knew only as Joey. And I think you also testified that you had been contacted by other people concerning this alleged Loyalists group, it wanted to reform the Church. You testified about a meeting that was held in a hotel room, I believe, and a meeting with an attorney who was supposed to know be an attorney for this group. You also testified about meetings with a Mr. Rearden?

A. Rinder.

Q. Is it Mr. Rinder? And those meetings, I believe, took place on November 17 and November 30, 1984?

A. The only way I can date them is that they came after the meetings with Joey, and the dates of November 17 and November 30 are the dates provided by the defendants' counsel, Mr. Cooley.

Q. Have you ever seen any videotapes or transcriptions of those meetings?

A. No.

MR. WADE: Your Honor, we would offer to show, at this time, videotapes of those two meetings which we have obtained from the defendants.

MR. COOLEY: These are the tapes that we produced to the Court last week, Your Honor. We join in the request they be shown to the jury.

THE COURT: All right. They have numbers somewhere.

MR. WADE: They are Exhibit 897 and 898, Your Honor.

THE COURT: Are you offering those at this time?

MR. WADE: We will offer 897 and 898, at this time, Your Honor.

THE COURT: And if I understand you, Mr. Cooley, there is no objection.

MR. COOLEY: Yes. Those are defendants' exhibit numbers, Your Honor.

THE COURT: Yes, I see them.

897 and 898 received.

(Defendants' Exhibits 897 and 898 was admitted into evidence.)

THE WITNESS: Your Honor, if I may say something.

THE COURT: No. I just don't know what you are go going to say, Mr. Armstrong.

THE WITNESS: I just --

MR. COOLEY: I request Mr. Armstrong not to say anything, Your Honor.

THE COURT: Why don't you let me handle it.

MR. COOLEY: I'm sorry, Your Honor.

THE COURT: We just can't do it that way, Mr. Armstrong. If the lawyers have something they wish to ask of you, they can. Do you understand the system just works this way on the basis of questions and answeres, and otherwise, you can see how disarrayed we could get quite quickly.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, with respect to the showing of these tapes, are you somewhat concerned about waiving any rights you might have against the people who made the tapes?

A. Yes, I am.

MR. WADE: Your Honor, we are offering those, of course, without waiving any rights that Mr. Armstrong would have against the people who made the tapes.

THE COURT: All right. That's understood.

By accepting these, I'm not considering it a waiver of anybody's rights.

MR. WADE: Would you please hand the witness Exhibits 893 and 894. I believe those are Court Exhibits.

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, can you identify to the jury what Exhibit 893 is.

A. I have never seen it before, but I can now describe

it.

Q. Would you please describe it.

MR. COOLEY: I object. This is a Court Exhibit, Your Honor.

MR. WADE: Your Honor, we will offer 893 and 894, which lists the name of the private investigator who was involved in the obtaining of these tapes.

THE COURT: How that is relevant for this jury's determination of what's on the tapes?

MR. WADE: I think when the jury sees the tapes and that private investigator's name, in fact, has been mentioned --

THE COURT: Wait, wait, wait. Let me hear this outside of their presence.

(Following proceedings were held in chambers.)

MR. WADE: Your Honor, on the tapes Mr. Ingram's name was mentioned many times. It has been also on the two other tapes the jury has heard, as a private investigator who has been working for the Church of Scientology and also is the man who told Mr. Armstrong he would put a bullet between his eyes. In fact, on the tapes, themselves, Mr. Armstrong on the second tape today discusses that.

I think it's relevant to the jury that the person who was making these tapes was Mr. Ingram, that very same person who told Mr. Armstrong on the telephone conversation that he was going to get him.

MR COOLEY: I have no objection to the Court informing the jury that counsel by stipulation, that Mr. Ingram was the private investigator that did the taping.

THE COURT: What we are getting into here is a collateral matter of Rodriguez's authority to issue it.

MR COOLEY: Purely a legal matter. The fact that Ingram did the taping, I have no problem with that.

MR. McMURRY: We want to offer the Court's exhibit into this record. We are not authenticating the accuracy of this tape, whether it has been spliced, whether it's in the entirety. We are not doing any thing of the sort. We have a right, it seems to me, in the rehabilitation to say these are some additional tapes we want to the show you and this is the basis upon which they were taken, i.e., authorization of Ingram from one Mr. Philip Rodriguez. We are not arguing we think that the predicate should be played not as our exhibit, but

we want a right to rehabilitate the witness.

THE COURT: I can tell them that.

MR. COLLEY: If they want to show that it was done under the authority of a Los Angeles police officer by Eugene Ingram, I have no objection.

MR. McMURRY: This is the evidence that was submitted to this Court by Mr. Peterson. Now, it should be part of the exhibits in this case. It shouldn't be something that's kept out. This goes to the exhibit.

THE COURT: It does nothing more than what I would tell them anyway.

MR. McMURRY: That's right.

THE COURT: Okay go ahead. I just don't want to get off on a collateral issue whether Rodriguez had authority or did not have authority.

MR. McMURRY: He cant't testify to that.

MR COOLEY: We have no objection if the letter is read in its entirety to the jury, both letters.

(Following proceedings were held in the presence of the jury.)

MR. WADE: We will again offer Exhibits 893 and 894, Your Honor.

MR. COOLLEY: No, objections, Your Honor.

THE COURT: They will be received.

(Plaintiff's Exhibit No. 893 and 894 were admitted into evidence.)

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, who is the private investigator who was in charge of making the tape recordings which we have seen and which we will see?

A. Eugene M. Ingram.

MR COOLEY: Your Honor, may those exhibits be read to the jury, please?

MR. WADE: Your Honor, if on recross he wishes to read them, he can read them. At this time I would like to get on and give them the tape show.

MR. COOLEY: Your Honor, the exhibits have been alluded to in part. I suggest they be read in their entirety to the jury.

THE COURT: For purposes of clarity, once and for all, read so the jury understands what's going on; read the letters to the jury, please.

THE WITNESS: There are two letters. They are identical except for the dates. The first one is dated November 13, 1984; the second one, November 28, 1984. The first one covers a period of November 15 through November 21, 1984, and the second one covers a period from November 30 through December 7,

1984. The first letter reads: "Eugene M, Ingram, Ingram Investigations; California license No. AA9387; 1212 North Vermont Avenue, Los Angeles, California 90029.

"To Eugene M. Ingram, private investigator, from Philip Rodriguez, police officer, Northeast Division, City of Los Angeles. I hereby direct Eugene M. Ingram and his employees, agents or other persons acting under his direction, to intentionally and without consent of all parties to a confidential communication by means of any electronic amplifying or recording device, eavesdrop upon or record such confidential communication whether such communication is carried on among such parties in the presence of one another, or by means of a telegraph, telephone or other device, for the period November 15, 1984, through November 21, 1984. Provided however that if recordings are accomplished on any day during the above period, Eugene M. Ingram is to report the results to me for further direction by me.

"This authorization shall specifically pertain to the investigation of Gerry Armstrong, Michael J. Flynn, and others not known at this time, regarding possible criminal violations of but not

limited to, California Penal Code, Section 664, attempts, Section 134, preparing false documentary evidence, Section 182, conspiracy, and or any other violations of criminal laws.

"This authorization is in compliance with California Penal Code, Section 633. Signed in Los Angeles, California, on November 13, 1984, Officer Philip Rogriguez, Serial No. 16924, Los Angeles Police Department."

BY MR. WADE: (Continuing)

Q. Mr. Armstrong, are you aware of Mr. Ingram working with the Church of Scientology or attorneys for the Church of Scientology to perform investigation work for them?

A. Certainly.

Q. What are you aware of?

A. I'm aware of this operation against me. I'm aware of an operation against Michael Flynn, my attorney. Those are what I know with certainty.

MR. WADE: Your Honor, we would at this time wish to play the tape of the November 17, 1984, conversation between Mr. Armstrong and Mr. Rinder.

THE COURT: Okay.

THE COURT: I would like those lights turned off. Leave these on, please.

(Mr. Cooley left the courtroom.)

MR. WADE: We would like to have it start at the beginning of the tape. There is another six minute tape, Your Honor.

THE COURT: We are missing the first part of the tape.

MR. MANION: We can put the first tape in.

THE COURT: Start with the first one. There is about five or six minutes on the first one.

MR. WADE: For the record, this is Exhibit 896. We would offer 896.

MR. MANION: No objection.

THE COURT: Okay. 896 is received, as well.

(Plaintiff's Exhibit 896 was admitted into evidence.)

(Following is a video tape recording transcript made November 17, 1984.)

VIDEO TAPE RECORDED TRANSCRIPT

MR. ARMSTRONG: How are you doing?

MR. RINDER: Very good. How are you?

MR. ARMSTRONG: Not bad.

MR. RINDER: Finally. Documents. Are you going to give that back to me?

MR. ARMSTRONG: If you like.

MR. RINDER: So? Here I am. Now, I guess you are probably going to want a little bit about why me, but the reason that I wanted to meet you is because we are a little concerned at this point about the fact that, you know, stuff being relayed through this relay point and that, you know, there may be some misduplication and that kind of shit -- and I want to get the straight scoop from you. I also -- I brought this draft of the suit. There's some points in there --

(End of first video tape.)

MR. WADE: For the record, 897 begins now.

(Defendants' Exhibit 897 video tape played. Following is a transcript of that recording.)

MR. RINDER: I need it more than you do, I

think. So, here I am. Now, I guess you are probably going to want to know a little bit about why -- why me, but the reason that I wanted to meet you is because we are a little concerned at this point about -- the fact that -- you know, the stuff being relayed through this relay point and that -- you know, there may be some misduplication and that kind of shit, and I want to get the straight scoop from you. I also -- I brought this draft of the suit. There's some points in there -- well, I have a little concern about some of those, about how we are going to handle that; if we were to go ahead and bring that, how it would actually come off. You know, at certain times we really need to -- to get the real scene, you know, what's really going on, so I'm going to -- I have a (inaudible). Joey doesn't have that. So I can then be a more direct relay point, because this has been going on now for some time.

MR. ARMSTRONG: There's a lot of things I would like to work out, which I think would make things go along a lot easier. First of all, the complaint, itself, that's not set in concrete.

MR. RINDER: No, no, I understand that.

MR. ARMSTRONG: And a lot of issues keep

coming up which kind of broadens the whole thing, as far as I'm concerned. The last time I met with Joey it was with the girl, and at that point I was basically given a go ahead to locate an attorney. I don't know if you guys have an attorney, I don't know what the status of that is. However, when, apparently, the money fell through -- well, whatever happened, I did not have the name of the attorneys. And I would be willing to do that, but that's kind of a last thing I was left with.

My understanding is it's sort of up in the air the whole thing. And that's okay. I don't have any compulsion to do any of it. But, you know, in my opinion the organization is in a state of transformation and it has to be altered. It is altering itself. We happen to be in a situation right now where, you know, something good can come out of it. That's philosophically where I stand on it. I don't want to continue on a legal battle against anyone.

MR. RINDER: That's exactly what our position is on that. That is really the common interest that we have with you.

MR. ARMSTRONG: Everyone has -- you know, as an aside, that viewpoint is being assumed on the

outside in great numbers. People are suddenly beginning to realize that, you know, the thing -- something is happening and a transformation has to take place. So what does everyone do in a situation like that?

MR. RINDER: Right.

MR. ARMSTRONG: But it is being picked up on the side. I got a call this morning from Martin Samuels. I had a call two weeks ago from Ben (inaudible) -- all of whom, you know, are kind of moving away from -- from the -- well we are just going to a proceed with our lawsuit kind of viewpoint to the -- you know, to the position that something is happening and something can be done. So what does Scientology as a body want their organization to become? You people are in a very unique position. It's never happened before in the history of the organization, although in a sense, the Miscavage takeover was similar.

MR. RINDER: Right. Yeah. Similar. We have just got to get some people in certain positions that are more attuned to the position that we are in when we actually manage to pull that off.

MR. ARMSTRONG: Well, it seems like he's very firmly entrenched, but the degree of entrenchment

could be his demise.

MR. RINDER: That's very true. I mean, that to some degree is the basic premise of the suit, you know; that entrenchment and the control of the organization is sort of what this is shooting for.

MR. ARMSTRONG: Right. You are familiar with the whole legal scene? You are legally --

MR. RINDER: Yeah, I'm pretty familiar with the legal scene.

MR. ARMSTRONG: Okay. I'll ask some questions. Now, I understand you had a couple of Board members at CSC or at least people -- people who think similarly. How many Board members are there in CSC?

MR. RINDER: Well, there's a president and then there is the secretary, treasurer, and -- you know, and assistant treasurer. And then I believe there are voting members, as well.

MR. ARMSTRONG: Oh, really?

MR. RINDER: Yeah.

MR. ARMSTRONG: For Board members minutes, how many signatures do you need?

MR. RINDER: You know, I actually don't know that.

MR. ARMSTRONG: Can you find that out?

MR. RINDER: Yeah.

MR. ARMSTRONG: The reason I ask is simply because -- you know, all these legal concepts kind of come to me and I would really like to talk to an attorney on your behalf or whatever, because I think -- you know, the situation is so unique that the legal possibilities are enormous. For example, the Board simply votes to retain new counsel and you know the way Board minutes are circulated inside the organization --

MR. RINDER: Right.

MR. ARMSTRONG: -- they just type one up and everyone signs it, then you have Board minutes.

MR. RINDER: We would just get someone to --

MR. ARMSTRONG: Well, if the Board -- The CSC Board are under the control of someone else, obviously.

MR. RINDER: Yeah. They're under the control of CSI to some degree because there's some sort of an agreement that exists between CSI and all the other churches.

MR. ARMSTRONG: What's that agreement? What is the agreement?

MR. RINDER: It something in the area of and agreement to -- it's like -- you know, there is this

licensing agreement that exists between (inaudible) and CSI and I believe it goes down from, like, CSI down to the other churches, that licensing agreement on the basis of good research of the technology they are allowed to continue to go through with that.

MR. ARMSTRONG: CSC a couple of years ago was the whole thing. CSC now is a relatively miniscule part of the whole thing. They probably (inaudible) SOR.

MR. RINDER: Well, it's not -- I mean, CSC is a bad miniscule because it still includes like, AOLA AOSHA,'s --

MR. ARMSTRONG: Oh, yeah. In fact, you have operating orgs which is -- you see, I don't know the form this thing is going to take. But we don't have to get so stuck on the one complaint. I think it's a great complaint. I think you guys are in a position where you can make it happen.

MR. RINDER: Right.

MR. ARMSTRONG: In addition to that, there is also the concept that what if CSC suddenly said, "We're CSC, we're getting new attorneys, we're firing our old attorneys. Not only that, but we're going to sue them. You know, they fucked us over and they made us divest all this shit which we

didn't want to. And we are demanding SOR back, and we are demanding all the organizations back. We are the mother Church. So fuck you guys." You know, there's that kind of thing which could be done by simply a part. You don't have to be a whole body of Scientology. You could do it corporately. And, you know, take for example the agreement that you have with CSI. That agreement certainly can be rescinded. Not only that, but you can find out the conditions under which the agreement was made. Who signed the damned thing and did they have any choice? They were the head -- They were the Board at the time. There had to be a Board at the time.

MR. RINDER: Right.

MR. ARMSTRONG: The Board at the time had to have signed an agreement. And they were all removed or kicked out or dismembered or whatever. But those people signed some agreement. If you could simply find out from them, "Ah, we were told, 'Sign or we are dead,' signed and you're kicked out." By who? Who could tell the Board they've got to sign? It's an open-and-shut case. There's so many of those possibilities. Do you remember the note I sent along by Joey a while ago? What happened during that transition from the -- you know, from CSC and

CSC is kind of a front for the whole thing. Hubbard controlled through CSC for so many years; correct?

MR. RINDER: Well, then you get into the legality of what is control. I mean, that's what's being litigated right now to a large extent.

MR. ARMSTRONG: That's a whole different subject, you see. You people are, in fact, the organization.

MR. RINDER: Right. Provided there's enough of us. You see, that's one of the concerns that I have about this. Actually, we have a line to an attorney, and I had this suit, had him look at it, and you know, not just on the basis of taking it on or anything, but just to give us a little advice on it. And -- like, one of the questions is: what would be the standing of the plaintiffs in the first place? You know, like, to say that we are going to get together twenty people and say this is now the Church, you know, this is CSC or CSI or whatever, it's like you know, three, four, five hundred people in CSI and maybe 800 people in CSC and I think --

MR. ARMSTRONG: Yeah

MR. RINDER: -- that could turn out to be a real weak point in that.

MR. ARMSTRONG: Yes. But they can't kick you

out of -- you know, they can't kick you out. See, if you say, "I'm it. I'm just as much a part of it as you are" -- I mean, not to say that you are it and they are not. But I can't say that I'm the Church of Scientology. I made that -- You know, I made that choice when I walked out the door. You guys haven't walked out, so you are in a completely different position.

MR. RINDER: Yeah, but what -- you know -- See, the liability of this -- the real liability of this suit for us is that it puts us out in the open. Now, obviously at some point we are going to have to go out in the open, but there's a liability to it in that unless this is strong enough to make it without crumbling under the first challenge, we are fucking dead, man. I mean we are just dead. I mean, the first thing that will happen is if we are bringing a suit, we'll just get the (inaudible). Everybody whose name is on there, the plaintiffs would just get the (inaudible) and expelled. Then we --

MR. ARMSTRONG: That's the whole point. That's when you get into, "Sorry we are not moving."

MR. RINDER: Well, then it becomes like a PR battle.

MR. ARMSTRONG: It is a PR battle, which is

why I mentioned in the last note. I hope you guys get these things.

MR. RINDER: That's one of the things that I don't know, that everything that you said is being relayed correctly.

MR. ARMSTRONG: You know, I am only a relay point in this thing. You know, however, I do make it -- you know my purpose to create as much shit as possible. You know, since I have --

MR. RINDER: Shit for the organization?

MR. ARMSTRONG: I do whatever I do; I have no -- I'm not hooked into anything. Anyway, I mention that, you know, there are many PR aspects to it. And the PR things can be so well done that -- you know, Scientologists, because they have had it drilled into them, tend to believe. They are believers.

Anyway, that's why I mentioned get off-policy actions. Anything, any little detail that you can find that the top has done off old accepted policy that they are doing off now, you know, hidden data lines, use of PIs, anything you can find. Then you've got the organization behind you, because they are off policy. Include it in the lawsuit; include it. They are not doing what's best for Scientology, because they are violating the policies. They are operating it autonomously and they are not operating to the best -- for the good of the group.

There is a lot of those things that have to be worked out that make the complaint very strong. You know, no one has any idea if the thing will be pulled off. No one. You can't tell five seconds from now what's going to happen and to have to have a sure thing, well, we can wait until the cows come home.

MR. RINDER: Yeah, I got that point.

MR. ARMSTRONG: It's going to take a Che Guevara, it's going to take some asshole to stand up and say, "Fuck it. Enough of this shit." You know, it's going to take that.

MR. RINDER: They will have to be in a strong enough position prior to that to be able to stand up

and get anybody to hit them. Do you see what I am saying? You know, it's like --

MR. ARMSTRONG: Do you have anyone like that? You know, there's two different positions. You know, there's -- one is the public relations position and one is the organizational position. You may not be in the organizational position, but what kind of position are the people going to be in if a whole shitload of them are indicted? That's not going to have a lot of --

MR. RINDER: That's the thing. That's kind of -- That's how that ties into this, because that would weaken those people who are in those positions right now, that have that authority to call a meeting of old stock and let them all stand up there and say, "Look. There's a bunch of assholes and I'm going to get them."

MR. ARMSTRONG: You guys have the same possibility.

MR. RINDER: Yeah, it's a possibility.

MR. ARMSTRONG: You know, it could just be done. The whole -- You know, if you guys concentrated only on the CSC, on the blue building. Divide the damned thing up and just, you know, the day that the thing happens, you know, the day you

file your complaint, then just call everyone and say to the meeting, "I don't know the positions of the people or if they are in positions of strength, if they are accepted in the organization or --

MR. RINDER: They're not all dishwashers, obviously.

MR. ARMSTRONG: -- you know, somewhere in between. They are obviously not in ASI.

MR. RINDER: Right. That's not the organization anyway.

MR. ARMSTRONG: Right. But not only that, you are going to get people on your side. How about if one of these days -- you know, let's say that at a given hour a whole bunch of people were to pitch up on the doorstep?

MR. RINDER: Where at?

MR. ARMSTRONG: Wherever you wanted them. Suddenly you have got numbers. Suddenly you have got a lot of people crowding into Lebanon Hall to hear lectures, to hear talks, to hear the announcement. Then you may have numbers on your side.

MR. RINDER: Right.

MR. ARMSTRONG: There are a lot of people on the outside. And potentially the whole thing could

be orchestrated, it could all be divided up into cells, and they could all be brought to one place at a given instance.

MR. RINDER: Right.

MR. ARMSTRONG: And it can be done during the chaos or whatever RTC's ASI's got going on. Who runs the organization right now?

MR. RINDER: Which organization?

MR. ARMSTRONG: All of it. Who runs it?

MR. RINDER: It gets run through CMO.

MR. ARMSTRONG: And who are these people?

MR. RINDER: You know, they're probably the same guys as when you were around.

MR. ARMSTRONG: A lot of them are gone.

MR. RINDER: Yeah, quite a number of them are.

MR. ARMSTRONG: I am.

MR. RINDER: Sure. It's 12:35.

Yeah, that's true; that's true. I'll tell you, I am going to be totally honest with you, Gerry. I can see some potential -- I can see some potential in this suit. And it's actually one thing that I now see is the usefulness of talking to someone that's not stuck into it, because you get kind of a whole exterior view and can look at things

which, you know, I tend -- I tend to self-doubt a little about, you know, how far we can go.

MR. ARMSTRONG: That's the way the mind works.

MR. RINDER: Yeah. You know, I'm doubtful of my position, too. You know what I mean? Like --

MR. ARMSTRONG: What have you got to lose?

MR. RINDER: Well, I have my life as a Scientologist, because I am still a Scientologist. I don't want to change that.

MR. ARMSTRONG: Okay. I understand. I don't see how that -- how that alters it in any way.

MR. RINDER: Well, that just puts me in a little different position from you --

MR. ARMSTRONG: Of course.

MR. RINDER: -- because that is a threat of loss to me and to the people that I am --

MR. ARMSTRONG: Right.

MR. RINDER: -- involved with. That's our threat of loss. And that becomes -- You see, there is like the ecclesiastical lines and then there is the legal secular line. And our threat of loss -- you see, they have to go sort of hand in hand.

MR. ARMSTRONG: That's which brings us to another subject which, you know, you have to make a very clear differentiation between those two things,

because they are absolutely different. The organization tends to lump them all together so that they can get away with their abuses and call them ecclesiastical rights or whatever. You know, like the hiring of PIs, all that's just Church doctrine. Bullshit. You know, you guys have to make a distinction and get it reel straight about what the fuck is the organization? What the fuck is worth saving?

MR. RINDER: Right. I understand that.

MR. ARMSTRONG: I mean, that has to be part of the lawsuit.

MR. RINDER: Right.

MR. ARMSTRONG: Because they have twisted it and perverted it to the point where your organization stands a good chance of being smacked down so fucking hard it will never rise again, because people are going to get real pissed off, because people are pissed off and they are going to get pissed off and PIs are going to step out of line and somebody is going to get killed and that will be ticked up to Scientology as you have ever known it. It's going to come across as nothing better than fucking terrorism, which is basically what it is, right now.

You guys are terrorized. You can't even fucking walk out of the organization. Fucking frisked and TV monitors. Come on. Its all there. Somebody has to stand up and say, "Enough of this bullshit." Because sooner or later somebody is going to get fucking hurt.

You know, you got federal agencies that -- you know, that are just about to bring the hammer down. You guys are assaulted from every corner with lawsuits. They can all be bought off. They can all be bought off for, you know, five cents on the dollar.

MR. RINDER: Right.

MR. ARMSTRONG: It happens to be in the hands of a very few paranoid individuals, and they should be smacked down.

MR. RINDER: I'm a little paranoid, too. If now what I mean.

MR. ARMSTRONG: You are not paranoid. You have a justifiable fear and I recognize that. It creates fear. What the fuck kind of a Church is it -- Come on. It's so ludicrous to anyone on the outside. A fear, you know -- What kind of an organization that just creates this incredible fear inside everyone in there? Fucking scared to death.

And they are so suppressed that they haven't got a clue about the way the world really is out here. Not that I do either. I'm not saying I have a handle on anything. But I tell you, something is going to happen in that organization sooner or later, whether or not, you know, it's you guys or whether or not it's some wacko or whether or not -- you know, somebody takes a shot at someone. I don't know.

MR. RINDER: Right.

MR. ARMSTRONG: But I think you are in a position where something can be done. And if they really are dedicated to -- you know, saving Scientology, save Scientology, don't save the shit that's going on now. Scientology sure as fuck is not that.

MR. RINDER: That's true.

You know, like I was sort of starting to say -- I am going to be totally frank with you -- I have this lawsuit and doing this, I have some concerns that we are being set up.

MR. ARMSTRONG: I have a concern that I am being set up. Every time I talk to you guys, I have the same concern. But I kind of think, fuck. What's going to happen, you know? What's going to

happen? What if you guys are setting me up? Just to go to court sometime later. You know, that's how the courts are viewing all this shit, you know: entrapment, setups, lies. They're taking a beating everywhere they go. You know, no one believes Scientology any more. When you talk about Scientology out there, bullshit. Unbelievable. No credibility. They've got no credibility because they are a terrorist organization. You can't trust terrorists. Never believe 'em.

Anyway, you should have a lot of concerns about it. You know, frankly, I don't think it matters a damn. It really honestly doesn't matter a damn if you guys file or not, or if you do anything or if you all go back and just continue on. None of that matters.

MR. RINDER: Well, it does matter.

MR. ARMSTRONG: There you get into some deep philosophic questions which I couldn't answer. But I'm saying that doesn't matter.

What I think of the group: real fucking exciting. I think that you guys sit in a situation where, fuck, you can sure get out of the boredom of Scientology for a couple of days. Isn't it a boring thing?

MR. RINDER: Well, I don't mind.

MR. ARMSTRONG: Bullshit. It's fucking boring. Jesus, it's fucking -- Not really, you know, the Scientology -- If everyone in there with just any news, the least news. Adrenalin addicts have got to have their data (inaudible). But I don't -- I don't think it matters. It can be great, you know. It would be real exciting in a sense, you know, I wish I was there because that -- Jesus Christ, I think it's -- It's exciting and you guys could be in a position of doing a great deal of good. But, you know, the rule is not to be fucking --

MR. RINDER: Well, my world will be.

MR. ARMSTRONG: In a sense. In a sense.

MR. RINDER: In a real sense.

MR. ARMSTRONG: Whatever you make it.

MR. RINDER: Yeah. My world revolves around Scientology. I mean that's the way I am and that's the way I'm going to stay. You start talking about wow, it's going to be wiped out, and whack, whack and -- you know, that's not something that I want and, you know, we keep getting stuff back from Joey that says the indictments are going to be coming down and all this sort of shit. I don't know. I

don't know what's going to happen with that stuff.

MR. ARMSTRONG: You know, I don't know either. But what I do know is that the thing cannot remain status quo. It cannot. And it won't. I don't know how -- I don't know what's going to happen. No one does. And that's why the fact that we don't know what's going to happen puts us in a position of being able to do something, because we are not hooked into the way it is.

MR. RINDER: What can we do to make something happen?

MR. ARMSTRONG: You guys can do basically whatever you want.

MR. RINDER: So we got to survive that, too. Whatever we do, we got to survive.

MR. ARMSTRONG: You will survive; there is no doubt of that. Whether or not, you know, it turns out the way you hope -- who knows? Who has any expectations? The only thing you get when you get an expectation is an upset, because no exceptation ever happens. You know, no girl you ever went out with ends up exactly the way you thought she was in the beginning. That's the whole thing about expectations. And when you kind of move away from expectations, then whatever happens, you can live

with.

MR. RINDER: Right. We have an expectation. Regardless of anything else, we have an expectation that isn't going to go away that we are still going to be Scientologists. We have no interest in that --

MR. ARMSTRONG: You guys have more hope of being Scientologists if you do this. If you stand up and say, "I am a Scientologist and I don't want the frigging organization" -- you know, "to be this kind of a paranoid operation." That's silly. And to think there are government agencies that hate you is also a lot of bullshit. I have talked to probably twenty, thirty people in various places in government the last couple of years. I have not found one who had any problem with Scientology, any vendetta, any desire to stop Scientology or any desire of hurting any Scientologist. Not one. That's the lie that's perpetrated on the inside.

MR. RINDER: Well, you know -- But I have seen some stuff that says otherwise to that.

MR. ARMSTRONG: What?

MR. RINDER: I saw this transcript of a meeting; you know, one of those bugged meetings that they fucking did back in '74?

MR.ARMSTRONG: Yeah.

MR. RINDER: I saw a transcript of a fucking meeting between some guys in the IRS. Dedesco, Runk, I think. I think that's what their names were. And -- I mean, I tell you -- I'll tell you, Gerry, the whole tone of that meeting was not -- was nothing other than what they really want to do is wipe out the Church. I mean that is an area that I am a little paranoid in. I mean that's great when you tell me that, but --

MR. ARMSTRONG: What exactly did they want to wipe out?

MR. RINDER: Well, the basic statement in there was something on the order of, you know, just handling the tax-exempt point isn't enough.

MR. ARMSTRONG: That's -- That's the way it is.

MR. RINDER: I mean is what their view is? What else is it they want to handle from IRS? Well I got --

MR. ARMSTRONG: They want to handle the same stuff you guys want to handle.

MR. RINDER: I don't understand what their motive is for that. I don't understand why. As fars I know your interest is in collecting taxes,

you know.

MR. ARMSTRONG: That's true. However, if there is an illegal control of a charitable corporation which is used for illegal means, and if there is money inuring on a grand scale to an individual, then it becomes a different matter. Not only that, but if you look and see how many people have been hurt, then it fast moves out of the realm of a charitable organization.

There is no charity in Scientology. Scientology corporation exists as it is now only as a tool of the very small group at the top. They use it as a tool. They keep enemies at bay, and they are able to wield a lot of power over a lot of people. And the people who've got to the top are those who wanted a great deal of power and they were willing to be ruthless to get there and equally ruthless in keeping that power. That's what -- You know, again, these people haven't said anything to me. They are after Miscavage and they are after Hubbard. And they should be, because Hubbard ripped off a lot of people. He fucking lied to us. While he was telling us that he wasn't making any money, he was making millions. Fucking crooked. Anyone who opposed him, anyone who sought to have

conditions better, was smacked down. All the time he was lying about his control. Oh, yeah, he retired in 1966. Horse shit.

MR. RINDER: Okay. Yeah, you know, --

MR. ARMSTRONG: That's just the way it is. The guy got greedy. He had some brilliant ideas; he got greedy; that's it.

MR. RINDER: From our viewpoint, attack -- without -- I don't see -- my personal view is that that's not the target for us, very much now. Because if we want to continue to be Scientologists, then he has to remain there and be the source and be that figurehead leader that's -- you know, talked about in SM management.

MR. ARMSTRONG: He can -- He can be that thing and you can have that viewpoint regarding him. I don't have any problem with that or Scientology or anything about it. But I do have a great deal of difficulty with the fact that people's lives are being fucked around. I mean, no corporation can have more rights than an individual. And when the organization, especially like Scientology, attempts to hide behind a veil of religiosity, Scientology, in my opinion, is a greater threat to the freedom of religion in the United States than anything else.

All this bullshit about Flynn and Clark and all this anti-religion -- Flynn is probably one of the most religious people I ever met.

(Stranger borrows a light.)

MR. ARMSTRONG: You know, but that's just where I stand on it. I sit down here and I see that things are -- things are somewhat ludicrous in the organization. Anyone that will put up with that shit.

MR. RINDER: What?

MR. ARMSTRONG: The fucking thing on the big stick, you know. I mean, Jesus Christ, dedicated to the enslavement of man? Come on. You know, and how -- After while, where the fuck is the truth? Where the fuck is it? You look at that issue, there isn't been a goddamned word of truth. I haven't even testified to the IRS. How could they possibly know what the false reports are? The problem is, Scientology minds are such that they can't -- they fucking can't read logic. It's just like, wow, what Ron says is true.

Jesus Christ, you are more important to yourself than L. Ron Hubbard is to you. All the truth that exists is inside you, and to think it's out there and some other guy's got it, that's

defeatest. Fuck, you guys are all just as big and strong -- fuck, you are all in better shape than he is.

MR. RINDER: Right.

MR. ARMSTRONG: That's just a reality, but --

MR. RINDER: I don't want to get into a philosophical argument about, you know, what I think about Scientology and --

MR. ARMSTRONG: Right. One thing you have to realize, in my opinion, is that nobody, but nobody, wants to stop anyone from practicing Scientology, other than Scientologists. There are people who want Scientology to be destroyed. You look at the -- at what great strides they have made to the point where -- you know, now it's all trademarked and copyrighted. That just about spells the death of that religion. You know, it will go to court. There will be a Supreme Court ruling. Because you can't -- you can't claim to be a religion and not be (inaudible). You can't say, "Well, I've got the only brand of truth."

MR. RINDER: True.

MR. ARMSTRONG: You know, and then -- like his trademark song and --

MR. RINDER: I mean, is anyone ever going to,

like, argue that point?

MR. ARMSTRONG: Yeah. Because there is going to be more Scientologists practicing outside than there are inside. Yeah, they will reach a critical number someday. I don't know when. And I don't have any stake in it. You know, no one out here is dedicated to the enslavement of man. Maybe a few guys in the organization, but I have never met anyone out here. Not anyone.

MR. RINDER: Well, you see, this thing -- it all gets really nebulous about where to go, what to do. That sort of --

MR. ARMSTRONG: It is nebulous, because -- simply because we can't, you know, send information back and forth.

MR. RINDER: We do.

MR. ARMSTRONG: We do, but we really -- I mean --

MR. RINDER: You know.

MR. ARMSTRONG: I don't know. It's sort of -- In a sense, it's kind of like -- you think it's different than what everyone over here thinks. You know, what label you put on yourself means fuck off to me. I can talk to any person in the whole world as soon as I'm talking to you. It makes no

difference. I don't have anything against Scientology. That's just so much bullshit, or against Scientologists.

That's kind of the idea that I think will ultimately be gotten over by everyone who's inside. It's going to open the doors and it's going to be free and they are going to do with Scientology whatever they can do with it. And they are going to start to do something decent, you know, and not just running around trying to make money to pay the attorneys and pay the PIs.

MR. RINDER: Right. Well, see, it all comes back to, like the same basic problem that we are always confronted with of there is something that needs to be changed. There is no question about that. That's why we exist.

MR. ARMSTRONG: Right.

MR. RINDER: There is something that has got to change. We don't want -- From our viewpoint, we don't want to change to the point where Scientology becomes unrecognizable to us as we know and believe that it should be. Do you see what I mean?

MR. ARMSTRONG: Therefore, it's up to you guys. No one anywhere is mandating what it's going to be. No one. No one even cares. I have a

personal stake in it in that I simply want all the goddamned lawsuits that are currently going on to end so I can get the fuck out of this stupidity. I want them to settle.

MR. RINDER: You mean like your lawsuit.

MR. ARMSTRONG: Fuck, there isn't only my lawsuit. You know, I'm a -- I'm going to be a witness in every lawsuit that's coming up from here on out, because I got the fraud. You know, for better or worse, I fucking uncovered it. I got those fucking documents and I uncovered the fraud. I think it behooves the people inside to act -- to agree to some degree sensibly about it.

MR. RINDER: And what what do you mean? You mean us?

MR. ARMSTRONG: The organization. I think that it simply is time to say, "You know, here's the truth." You know, the fraud and (inaudible) -- The organization is not dedicated to truth, it's dedicated to the pursuit of (inaudible) -- it's something else.

MR. RINDER: So that ought to change it.

MR. ARMSTRONG: Well, in my opinion -- Let me ask you some questions.

MR. RINDER: Go ahead.

MR. ARMSTRONG: Joey has on occasion mentioned a figure of thirty-five people who, at least to some degree, know that there's is a group inside dedicated to change. Okay? How much mobility do they have?

MR. RINDER: And what -- You mean, like within the organization, what can I get around to? Where can they -- There's thirty-five, yeah.

MR. ARMSTRONG: Okay. So they really don't have a great deal of mobility. Perhaps there are people who operate out of the -- off the property?

MR. RINDER: Uh-huh.

MR. ARMSTRONG: Some of them have mobility?

MR. RINDER: Yeah.

MR. ARMSTRONG: Aside from the lawsuit -- Let's just put the lawsuits aside, and let's put aside the concept of attrition, because that's not influenced a great deal on the outside except as you plug in to make use of situations; right?

MR. RINDER: Yeah.

MR. ARMSTRONG: For --

MR. RINDER: That's not true. It is very much influenced by the outside. Like when you started talking about indicting fifteen are twenty or whatever number of people it is in Canada, that

has a real effect on the attrition. Come on.

MR. ARMSTRONG: Yeah. But you have virtually no control about whether or not one of your boys is going to move up the ladder to replace them.

MR. RINDER: I understand that. But until they go, there is -- no one is going to move up the ladder and replace them. Do you see what I'm saying? Carry on.

MR. ARMSTRONG: Right. I understand the attrition concept. What else can be done? What do you imagine can be done?

MR. RINDER: Well, see, this thing about this lawsuit, I am --

MR. ARMSTRONG: Aside from the lawsuit, aside from attrition. Do we have any -- Do we have any potential business with each other? You know, is there some -- How do you see me?

MR. RINDER: How do I see you? Well, to some extent I see you as -- I see you in two lights. One is the -- I feel like you have real -- well, potentially have real use in that you have an exterior view, you have a lot of data about, you know, what goes on, what people think, you know what the general tone of affairs is outside of the Church. Which is important to us, you know.

In theory, we could accomplish a takeover on the inside and have it all fucked up on the outside; you know, in theory. That's an unlikely thing, because once you are in the position where you can control things, you can also control that opinion poll. I also see you as being to some degree a conduit in which we can communicate to people outside, via you.

Then on the other hand, I have my sort of native paranoia state where I wonder whether you are not just setting us up to -- you know, come into this lawsuit, make allegations in the lawsuit that may not be true or that we can't substantiate, for the purpose of just simply disrupting everybody to get their attention off the other suits. You know --

MR. ARMSTRONG: I have never conceived of such a thing. But --

MR. RINDER: You see, I know, Gerry. When you say you never conceived of such a thing, to me, that's not a an unreal thing to think could be going on. You know what I mean?

MR. ARMSTRONG: Granted it never entered my mind, and I don't exactly see how it would happen, but --

MR. RINDER: Maybe it's not even you that's doing it or that you are doing it unwittingly. You know what I mean?

MR. ARMSTRONG: I don't know.

MR. RINDER: You know, who is it that, like you communicate to? And it could be a completely unwitting thing. You could have the view that "Yeah, well, this is really the way I can help these guys, and blah, blah, blah." And someone else is maybe figuring out how your good intentions to help are actually going to result in just payoffs and -- fuck up within the Organization, which would be very beneficial to someone that had that intent. Maybe you do see what I mean -- you know --

MR. ARMSTRONG: That's how you guys capitalize on it is chaos.

MR. RINDER: Yeah. But we can only capitalize on it is, if out of being assuring chaos, we come out on top. We can't capitalize on it if we sacrifice to create that chaos, sacrificial lambs, you know. I don't want to be left hanging on a cross somewhere, having gone ahead with some idea

that -- you know, Gerry Armstrong came up with, like, "Yeah, it sounded all great," and two months down the line I find out here I sit. I've been declared, I now have a fucking suit against me --

MR. ARMSTRONG: That is the down side. That is the -- You know, that's the fucking down side in living. It's the down side in you meeting with me. This (inaudible) could be a guy driving by, and, you know, bing.

MR. RINDER: Right.

MR. ARMSTRONG: And then there's a conspiracy rap and you are declared, and they sue you. I mean, that's -- there's down sides in everything.

MR. RINDER: But, see, that's a reduced -- that has a very much redused possibility as long as I'm careful about what I do. Do you see what I mean? Like I can control that a little more than I can control something that someone else kind of brings along.

MR. ARMSTRONG: Yeah.

MR. RINDER: I'm being totally honest with you. You asked me, how do I see you? That's how I see you. I realize -- I mean in saying that, in saying that to you, it's like a real down side to even saying it to you. I mean I could sit here and

say, "Yeah, I think you are a great guy and wack, wack, wack." You know, I realize I'm in a fucking position. I've got more to lose probably out of this right now than you have. For myself, maybe not legally, maybe not -- The things that I hold as important to me, there's more threat of loss to me right now than there is to you meeting with me. Do you know what I mean?

MR. ARMSTRONG: Yeah, could be. I mean, I don't know that any one person's losses in terms of all guys --

MR. RINDER: Well, you know, you have already said you set yourself up in this position. That's the thing you are pursuing.

MR. ARMSTRONG: We could be attacked.

MR. RINDER: Just what happens if somebody drives past and sees us? I mean, I don't know. I guess it could be handled. I don't know.

MR. ARMSTRONG: So, do you see anything other than this possibility, that is, you know, aside from the lawsuit and proceeding with that? Do you -- you know, is there any percentage in you guys maintaining a communication line with me? Obviously -- You see, the thing about living on the outside is that -- you know, it's a pretty free society, and

there isn't -- there isn't a lot going on. There's isn't a lot being covered up. Do you know what I mean? So you guys -- there isn't a great deal of -- of intelligence which can flow from my direction towards you people. You know, I can let you in on -- you know, what I hear from the Canadians. But, you know, they are not (inaudible) -- they didn't or can't say, Well, you know -- otherwise their ass is in a knot.

MR. RINDER: From what we understood from Joey, you had some sort of a line that could keep us informed on that sort of shit, because he keeps coming back and saying, "Gerry says that (inaudible) -- you know, like ten different times we get this information back on the lines. It's like -- That is valuable to us.

MR. ARMSTRONG: All right.

MR. RINDER: How you have proven out to be hasn't been too valuable to us so far because it hasn't happened.

MR. ARMSTRONG: Exactly. And yet, you see, in many cases, you see, it's such an open communication line that anyone could call up Mike Flynn and say, "How is it going?" You know? Even though he does tell me a lot more than he probably

would tell anyone else, and so are the Canadians. But it's not going to be anything that is going to -- you know, be earth-shaking. If we wanted -- You see, if we wanted to get into the passing of very detailed information which could greatly assist -- in other words, the creation of a network which is not only within the Organization, but which is outside, then that's a whole -- another thing. That's something that -- you know, could be created, could be developed.

MR. RINDER: How would you do that?

MR. ARMSTRONG: I have mobility and I have a lot of people out here. I don't know what your capabilities are inside. You know, I have often asked a number of questions and I have not gotten answers to a lot of -- you know, certain things, so I don't know.

MR. RINDER: Ask me again. I'll just tell you one thing.

MR. ARMSTRONG: Yeah.

MR.RINDER: Joey doesn't know everything that's going on.

MR. ARMSTRONG: Who photographed me the other day?

MR. RINDER: He's a security force.

MR. ARMSTRONG: Who?

MR. RINDER: I don't know the guy, but I know he's a security force.

MR. ARMSTRONG: It was simply the guys who walked around the building?

MR. RINDER: Yeah. They have two cars. They have two blue cars with a white top, and they drive around in them.

MR. ARMSTRONG: Right. I asked for a license number.

MR. RINDER: You asked for license number?

MR. ARMSTRONG: Yes. The idea is --

MR. RINDER: Okay. We can get those fucking easy.

MR. ARMSTRONG: I asked that same day.

MR. RINDER: That's why --

MR. ARMSTRONG: Exactly. So now we are talking.

MR. RINDER: We can get that sort of shit easy.

MR. ARMSTRONG: Do you have my list of pay phone numbers?

MR. RINDER: Joey's still got it. I can get it from him.

MR. ARMSTRONG: Okay. If you guys can arrange an address --

MR. RINDER: Yeah.

MR.ARMSTRONG: -- Some place that mail can go to so that --

MR. RINDER: We can set up a PO box.

MR. ARMSTRONG: That's your problem.

MR. RINDER: Okay.

MR. ARMSTRONG: Okay. Here's what I would like to do. You know, let's put aside -- Oh, the other thing is, do you want me to do anything with attorneys? Does someone have any money?

MR. RINDER: Well, we don't have -- We don't have enough money right now to be able -- I don't think any attorney would take this on a contingency.

MR. ARMSTRONG: I'm not talking about contingency. We are talking about two or three months, (inaudible). You know, it's going to be -- it's not a protracted legal battle. It can't be. It cannot be that kind of a thing.

MR. RINDER: Right. That is my concern, because a protracted thing or a thing that gets into a lot of fucking, you know, motions to dismiss and this and that and rack, rack, rack, I don't think we will survive that. That wasn't exactly the point of that --

MR. ARMSTRONG: You are asking for injunctive

relief, and you're asking for it now, adding another thing. Make a note of this. We have to add into the complaint the threat which you people feel what is going to happen to you when you bring this lawsuit. And you can substantiate that with affidavits on whatever has happened to anyone who has opposed or who has sought to correct things. You know, for example, Franks' lawsuit, Homer Schomer's sec check. I don't know all the details --

MR. RINDER: Those affi's already exist, though.

MR. ARMSTRONG: Yeah, you've got to get new affi's; you can't just photocopy one from some other lawsuit. But --

MR. RINDER: Why?

MR. ARMSTRONG: Because, you know, you've got a brand new complaint. You need new affidavits, newly signed, currently dated. It can't be just a whole big stack of old documents.

MR. RINDER: Okay. I mean, I take your word on that. I don't fully understand. I understood that something that was, like, admitted evidence or was taken in an affidavit, you know, with a court reporter or whatever was then admissible evidence in another suit.

MR. ARMSTRONG: That's true. And if you guys can get ahold of it and say, you know, "Here's what happened in this situation" -- but that's not the affidavit on which the complaint is filed. That's the supporting documentation.

MR. RINDER: I understand.

MR. ARMSTRONG: Who's your legal mind? Or do you have a legal mind above yourself?

MR. RINDER: Yeah.

MR. ARMSTRONG: Someone who's --

MR. RINDER: -- a little more afraid than I am with it.

MR. ARMSTRONG: Okay.

MR. RINDER: I'm not like completely out (inaudible) legal shit.

MR. ARMSTRONG: You're (inaudible) fine. And I'm not -- and I'm no attorney.

MR. RINDER: Okay.

MR. ARMSTRONG: Okay? And also make a note of -- get -- If we consider going ahead with the lawsuit, you would want to weave into it, you know, violations of Scientology policy. And the reason for that is not so much as to affect the Court, although you can in that way show that they are not the legitimate leaders because they are in continued violation of their own policy, but you want to swing the -- you know, the troops around.

MR. RINDER: With the actual complaint, itself?

MR. ARMSTRONG: With the complaint --

MR. RINDER: Right.

MR. ARMSTRONG: In the complaint and with supporting affidavits.

MR. RINDER: Right. Because that, then,

comes out in the press, rack, rack, and that becomes the substance of the suit --

MR. ARMSTRONG: That becomes the substance as far as the people inside are concerned, because that's what they go for. "Oh, they were all off policy. They are all went awry." -- Or --

MR. RINDER: I get it. I get it. I mean, we can get that into the press. That would be the angle that could be run like PR mediawise. That's what you mean, that?

MR. ARMSTRONG: PR media is one thing, but, you know, to your own troops.

MR. RINDER: Yeah. That's what I mean by the PR stuff. That would be the way that would run, then.

MR. ARMSTRONG: Yeah. Make another note. I want to, I want an address, PO Box that'll work.

MR. RINDER: I can set up a PO box. (Inaudible.)

MR. ARMSTRONG: Need a phone number. Need some way -- because if I don't have -- if I don't have our common friend Danny, I have no means of contacting anyone and essentially, I'm out here alone. Right?

MR. RINDER: Yeah. I'm little leery of the phone number. The phone number has got to be some

sort of fucking pay phone, but then --

MR. ARMSTRONG: No. Well, I want a list of pay phone numbers. I got three from Joey, so that if he says call one, I know to call that pay phone. I got that the other day. But I want a whole damned apparatus worked out, otherwise we -- you know, we don't have enough capabilities. It's too -- It's too damned cumbersome and it's also -- it's unworkable for me to always drive up here, and for me to always meet in more or less these environments. It can't work.

MR. RINDER: Okay, I agree. I mean we can -- We can set up to meet anywhere you fucking want. The only limitation on that is my ability to be away without creating undue concern about my not being there.

MR. ARMSTRONG: We need to work out those sort of situations, too.

MR. RINDER: Right.

MR. ARMSTRONG: We need to work out a number of things so that people can get out. I can help with that. As I explained to Joey, you know, the Sea Org is so -- you know, freaked out about PTSA situations and PR flaps, you can use it to your advantage. You know, "My cousin just got into town

and he knows you live here somewhere, so you had better go see the asshole. And his mother is anti-Scientology, so I've got to go handle it."

MR. RINDER: I understand.

MR. ARMSTRONG: That way we can continue to spring some people out of the organization, if necessary.

MR. RINDER: Yeah.

MR. ARMSTRONG: Also, so we got an address to which material can be sent. We've got -- I'd like a longer list of pay phones so that we can vary them around.

MR. RINDER: Okay. That's good.

MR. ARMSTRONG: What do you guys want right now? What can I do? Let's put the lawsuit aside. If you go with the lawsuit, do you want me to talk to attorneys?

MR. RINDER: Very likely. You see the other thing --

MR. ARMSTRONG: Have you talked to the girl?

MR. RINDER: You see, we are still trying to ge ahold of her. We haven't been able to reach her yet. Frankly, I don't know what to say other than we haven't been able to get ahold of her. You know, Denny has been trying to get ahold of her, too.

MR. ARMSTRONG: Okay.

MR. RINDER: I'm sure she is going to show up in time, but -- What do we want from you?

MR. ARMSTRONG: Yes.

MR. RINDER: I think you -- I mean from my viewpoint?

MR. ARMSTRONG: Uh-huh.

MR. RINDER: Like I said before, you give me something right now. Sitting right here it gives me a different view. That is important. It is important.

MR. ARMSTRONG: Yeah, damned right.

MR. RINDER: It's like that's something of value.

MR. ARMSTRONG: The fact you are communicating to me is an icebreaker.

MR. RINDER: Right.

MR. ARMSTRONG: In my opinion, that is what's needed -- that's the thing that's needed with the organization, is to talk to everyone. I wish you could talk to Flynn. It's unfortunate. He said it would be inappropriate because of conflict of interest. You know?

MR. RINDER: With regard to him?

MR. ARMSTRONG: In regard to you guys.

MR. RINDER: With regard to us, if we had a brought a suit and we had discussions with him.

MR. ARMSMTRONG: Well, he'll talk to anyone. There's no problem with that, but, yeah, as far as -- as far as people inside the organization. The reason is, it simply is the way attorneys work. You've got a client, you know, you are the client of a bunch of attorneys. You're CSC or you're CSI, or whatever you are.

MR. RINDER: Right.

MR. ARMSTRONG: The client can't go to the opposing attorney. You can go to them, but the attorney can't talk. I can't go to Barry (inaudible); he cannot talk to me. It would be out of line for him to approach me. It would be out of line for Peterson to talk to me.

MR. RINDER: Right. I see. As Church members, then, we would be the opposition. But didn't he drop this thing?

MR. ARMSTRONG: Who? Mike?

MR. RINDER: Yeah.

MR. ARMSTRONG: I don't know what gave you that idea.

MR. RINDER: If that's what -- I never saw anything else.

MR. ARMSTRONG: Oh. It's one of my many attorneys.

MR. RINDER: Do you have any cigarettes left?

MR. ARMSTRONG: I really don't smoke.

MR. RINDER: I'm not going to be too much longer.

MR. ARMSTRONG: Anyway, it is good that everyone talks. That's the way I see the difference between the current Scientology organization and a future Scientology organization, is that the organization and its members are not afraid to talk to anyone. There's no more of this, "If you talk to him, you can't talk to him." That's absolutely non-productive. Don't you agree? I mean, you know, it makes people shrink that this guy's a bad guy. If you can talk to all the bad guys -- big deal.

MR. RINDER: I want to ask you a question. Why did you not answer that question about you dropping the suit?

MR. ARMSTRONG: Do you think I should answer it?

MR. RINDER: I don't know. If you don't want to answer it, that's fine.

MR. ARMSTRONG: Do you know why?

MR. RINDER: Why?

MR. ARMSTRONG: Because if it's shown someone did it for me for a favor, that's the only thing. Simply because the organization will construe it as a violation of their civil rights. You know they're on a civil rights kick right now. It's got to hurt them. It's already been judicially stated that they are the civil rights violators. They violate their parishioners' civil rights. But that's why; just so that whoever did the favor is not going to be hurt. You know, what if you walked back in the organization and they say, "What have you got?" They pull that out. And you say, "Well what the fuck is this?"

MR. RINDER: I don't take their shit like that.

MR. ARMSTRONG: Good. Anyway, so that's just so you can answer the question. It really doesn't matter does it when the thing is what it is? Right now I will not proceed with anything to do with trying to find you guys an attorney. I gather that the one attorney was not all that hopeful.

MR. RINDER: No. Well, he expressed concern. He said that the causes of action were the correct causes of action, but that the factual allegations --

MR. ARMSTRONG: Yeah.

MR. RINDER: -- they gotta be -- we've got to check them out and make sure they're factual allegations.

MR. ARMSTRONG: That's what Mike has been saying all along. How much does the organization spend on PIs? How much has the organization paid Ingram?

MR. RINDER: I don't know.

MR. ARMSTRONG: How much have they paid Peterson?

MR. RINDER: I don't know. I don't know how much. I don't know how much --

MR. ARMSTRONG: Are you able to get that kind of information?

MR. RINDER: We may be able to. We may be able to get that. But, see, that gets into this question of then, is that -- is that a suit that is going to win? Is that a suit that's going to get us into a position where we actually come out on top?

MR. ARMSTRONG: You can win.

MR. RINDER: I mean, I don't know what the defense would be to that.

MR. ARMSTRONG: We had to do it because you are being attacked.

MR. RINDER: It's not illegal and not a loss. I see that as being a very -- a very -- it's a gray area and it would depend a lot on the public opinion that is generated surrounding that. You know what I mean?

MR. ARMSTRONG: Well, there is two things in it --

MR. RINDER: It's a legally arguable --

MR. ARMSTRONG: If you get my note which explained that you can proceed, you can make an issue of corporate control without alleging anything.

MR. RINDER: I don't follow that.

MR. ARMSTRONG: Well, there are hundreds of lawsuits. That's generally what lawsuits -- you know, a lot of times a lawsuit has that form, it is simply disagreement over who has control of corporate funds. That is simply the issue there are alleged there was any criminal misconduct or illegal use of the funds or anything.

MR. RINDER: So this is alleging it.

MR. ARMSTRONG: That's right. The reason for that is because with that, if you can get any of those things, then you -- then the Court can act immediately to freeze the accounts.

MR. RINDER: So unless we have criminal stuff in there, there isn't really any basis for --

MR. ARMSTRONG: Not criminal stuff, necessarily. Do you have information on the -- on the -- the boat in Clearwater?

MR. RINDER: I know about the cycle. I mean I know of it.

MR. ARMSTRONG: It happened; right? They paid a lot of money.

MR. RINDER: Yeah, but see, like this is -- that there was a scheme to compromise those guys with prostitutes. You know --

MR. ARMSTRONG: So? So there wasn't. But there lease was -- they were lease was a boat. Was there a closed-circuit TV camera? Were they videoed?

MR. RINDER: I don't know. I presume so. If that was the purpose of setting it up, I guess that's what we read. You know what I mean?

MR. ARMSTRONG: If you know that that took place -- You see you have to realize the way things are on the outside, you know, that gets into -- that gets into -- you know, entrapment.

MR. RINDER: It's not (inaudible). It's like bad, bad, business --

MR. ARMSTRONG: No, I don't think it's bad. But when a church is doing it, it looks ludicrous. You can say that all the things -- you know, if I was hassled by PIs for some time, okay? You can say, "Well, shit, you got PIs following anyone." Except the way the Court looked at it was, if indeed these things are true, then perhaps this thing ought to be tried across the street in the Criminal Court's building. That's the viewpoint that you have got to have. These things are illegal. You can allege the illegalities. You can -- I don't know what people inside know about what Ingram has done or what -- even though it's affidavits authored by the people up at -- Mayo's group. The operations by PIs to discredit someone, the whole thing with Flynn, that thing, itself, is a gold mine to you guys. Just to simply say, you know, the organization funds have been used to attack and discredit and intimidate and harass this one individual, that's the kind of stuff. And what's happened in the organization? You know, do you know of anything about the use of PC folders?

I was called by someone -- I guess it was Joey -- before I went to the UK at the end of June, something about -- you know, my PC folders were

being moved somewhere and there's a possibility of getting them. Someone in your group knew it about someone knew that PC folders were being moved around. Someone has been involved in the last two years in going through PC folders. Right?

MR. RINDER: Why?

MR. ARMSTRONG: Have they? Why were my PC folders moved?

MR. RINDER: I don't know why they were moved.

MR. ARMSTRONG: Where were they coming from?

MR. RINDER: Coming from the CW.

MR. ARMSTRONG: What were they doing in CW? I was never at CW.

MR. RINDER: I don't know.

MR. ARMSTRONG: Where were they going to?

MR. RINDER: That's real circumstantial stuff.

MR. ARMSTRONG: You get the idea. You know, what if someone has has been -- Was someone held? Has anyone been held in the organization? What's the situation in there? Do they --

- - - - -

THE COURT: We will back up to that right there. Make a notation of where that is so we can start in the morning at that. We will back it up so

we can get the context.

Okay. As I indicated to you, I was going to quit at five o'clock. It's five after 5:00. We are quitting. You all remember my cautionary instructions well enough over the weekend so that -- or do you want me to repeat them again? All right. I know that you have been paying attention to those cautionary instructions. I appreciate it. Just keep it up. It's important for this trial may go without any prejudice one way or other.

We will start tomorrow -- I have a sentencing matter at nine o'clock; we have to start at nine o'clock. 9:30 we will resume watching the tape. We will recess for the evening.

(Jury was excused.)

THE COURT: Okay. You may step down, gentlemen.

(Court was recessed at 5:07 p.m.)